

The American Journal of

JUL 21 1949

PERIODICAL ROOM
GENERAL LIBRARY
UNIV. OF MICH.

ECONOMICS *and* SOCIOLOGY

Toward Understanding Economic Behavior— <i>K. Mayer</i>	321
Private Enterprise in Education— <i>B. J. Hovde</i>	336
Discrimination in Employment— <i>R. D. Leiter</i>	337
Research in Race Relations	350
The Crime of Genocide— <i>R. Claubton</i>	351
Land Reform in Japan— <i>W. Lissner</i>	366
Economic Trends in the Middle East, II— <i>I. Guelfat</i>	367
Progress Toward Land Reform in India	375
De Gasperi's Land Reform in Italy— <i>W. Lissner</i>	376
Challenge of Australian Tax Policy— <i>H. G. Brown</i>	377
Lord Acton, A Great European, II— <i>F. Neilson</i>	401
Difficulties in Brazilian Colonization	412
Honest Man's Story: Frederic C. Howe— <i>R. H. Bremner</i>	413
Politics and Propaganda— <i>A. Johnson</i>	423
Land Question in Burma	424
Moral Bases of Land Tenure— <i>N.C.R.L.C.</i>	425
Ancient Blunders and Modern Politicians (Review)— <i>F. Neilson</i>	427
Other Reviews	430
Contributors	432

VOL. 8

JULY, 1949

No. 4

Published QUARTERLY under grant from the ROBERT SCHALKENBACH FOUNDATION
in the interest of constructive synthesis in the social sciences.

The AMERICAN JOURNAL of ECONOMICS and SOCIOLOGY

Published QUARTERLY under grant from the Robert Schalkenbach
Foundation in the interest of constructive synthesis in the social sciences.

WILL LISSNER
Editor

BOARD OF EDITORS

†FRANZ OPPENHEIMER
Hollywood, Calif.

JOHN ISE
University of Kansas

HAROLD HOTELLING
Univ. of North Carolina

GLENN E. HOOVER
Mills College

GEORGE RAYMOND GEIGER
Antioch College

RAYMOND E. CRIST
University of Maryland

HARRY GUNNISON BROWN
University of Missouri

MORTIMER J. ADLER
University of Chicago

WALLACE KIBBEE
Typographical Designer

WILLIAM S. O'CONNOR
Counsel

EDITORIAL ADVISORY BOARD

HAROLD S. BUTTENHEIM
New York

PHILIP H. CORNICK
New York

JOHN DEWEY, LL.D.
New York

PHYLLIS EVANS, M.A.
New York

ROY A. FOULKE, M.A.
New York

LANCASTER M. GREENE
New York

E. C. HARWOOD, M.C.E.
Great Barrington, Mass.

L. G. LIGUTTI, LL.D.
Des Moines

GROVER C. LOUD, M.A.
New York

ADOLPH LOWE, DR. JUR.
New York

DONALD A. MACLEAN, PH.D.
Washington

FRANCIS NEILSON, LITT.D.
New York

LAWSON PURDY, LL.D.
New York

JOSEPH S. ROUCEK, PH.D.
New York

LOUIS WALLIS
New York

THE AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY, INC. (a non-profit membership corporation) publisher.

O. K. DORN
President

CHARLES JOHNSON POST
Vice President

ALBERT PLEYDELL
Vice President

V. G. PETERSON
Secretary-Treasurer

W. LISSNER, G. R. GEIGER, H. G. BROWN, O. K. DORN, C. J. POST,
A. PLEYDELL, directors

THE AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY is published quarterly, in October, January, April and July. Published at North Queen Street and McGovern Avenue, Lancaster, Pennsylvania. Executive offices, 50 East Sixty-ninth Street, New York 21. Subscription, \$3.00 a year. Single copies, \$1.00. Checks payable to the American Journal of Economics and Sociology, Inc. Correspondence concerning contributions should be addressed to the editor at the Journal's offices. Correspondence concerning subscriptions and other business matters should be addressed to the secretary at the Journal's offices. The editor and the members of the board of editors do not necessarily endorse opinions and statements in signed contributions, and are not necessarily in agreement with any contributions whose publication they recommend. The members of the editorial advisory board do not necessarily endorse the Journal's orientation. Entered as second class matter at the post office at Lancaster, Pa., under the Act of Congress of March 3, 1879. Registration of title in the U. S. Patent Office pending.

Copyright, 1949, by the American Journal of Economics and Sociology, Inc.

The AMERICAN JOURNAL *of* ECONOMICS *and* SOCIOLOGY

Published QUARTERLY under grant from the Robert Schalkenbach
Foundation in the interest of constructive synthesis in the local sciences.

VOLUME 8

JULY, 1949

NUMBER 4

Toward Understanding Economic Behavior

The Contribution of Sociological and Psychological Research Methods to Economic Analysis

By KURT MAYER

I

IT IS A COMMONPLACE by now that the great problems facing the social sciences today are mostly interdisciplinary problems [15, 18]. Actually, however, very little co-operation has been achieved among the social sciences, in spite of the fact that the need for integration is clearly recognized by all. There are, nevertheless, a few encouraging developments in the right direction. The specific problems with which this paper is concerned refer to certain aspects of co-operation between the discipline of economics on the one hand and the disciplines of sociology and psychology on the other hand. Economics is not only the most advanced of the social sciences, it has also for a long time exhibited the greatest reluctance to make any use of the reasearch work of other social sciences. Yet in recent years we have witnessed some developments in contemporary economics which make it quite necessary for economists to enlist the help of sociologists and psychologists. Moreover, in the instances discussed here, we are in the fortunate situation that sociology and psychology stand ready to supply economics with the assistance needed, and not, as usual, in the form of qualitative materials which economists find it exceedingly difficult to assimilate, but with specific research methods designed to furnish data in quantitative form so that they can be employed without difficulty in

economic analysis.

But before entering upon the discussion of these research techniques it is necessary first to discuss briefly the history and the nature of economic theory. This review will have to cover ground which is quite familiar to economists; it is not so well known to other social scientists, however, and it is necessary to have some conception of the development and the present status of economic theory to understand what these recent developments mean and just where they fit into economic analysis.

The traditional reputation of economics rests upon the exposition of laws of free exchange worked out by the classical writers of economic theory. They stated the law of demand and supply in an exact form, thereby establishing a body of theory which is the envy of the other social sciences and the possession of which indeed distinguishes economics from its sister disciplines. It is very important to realize clearly, however, that the laws of exchange which make up classical economic theory embody explicitly or implicitly certain sociological and psychological assumptions. The validity of the laws of the market depends upon two fundamental postulates: (a) that every individual acts rationally, *i.e.* that he strives after a maximum money return, and (b) that perfect competition prevails in the market [13]. Now, how did the classical writers arrive at these particular assumptions? The answer is rather simple: they derived their sociological and psychological assumptions from an analysis of the society in which they themselves lived. Their economic theory was an attempt to describe the social reality of their time: the liberal society of early capitalism. It is quite true, of course, that the early classical works contained also a utopian element—a fully developed market society was still a postulate and the classical authors hoped to contribute to bring about its realization—but it is nevertheless correct to say that on the whole classical economic theory was a fairly adequate description of an economic and social reality, it was a realistic theory, even though the laws of the market were arrived at by deductive reasoning and were not empirically tested propositions.

Unfortunately, the social reality upon which classical economic theory was based did not endure, the phase of liberal capitalism passed, and the social transformations which occurred in the process of industrialization have presented us with a contemporary social and economic structure that is a far cry from the classical utopia. The small-scale organization of independent producers has given way to the integrated combines of modern mass production and mass distribution; their monopolistic tendencies have

rendered competition quite imperfect; and the simple assumption that it is the principle of pain and pleasure which guides human action is certainly not adequate to explain the complex behavior of our contemporaries.

As it became increasingly evident during the second half of the nineteenth century that the sociological and psychological assumptions implied in the classical and post-classical writings no longer corresponded with the changing social reality of Western society, economists began to react to this situation in different ways. Recognizing the inadequacy of its sociological assumptions, some economists—the members of the German historical and of the American institutionalist schools—rejected the classical theories in summary fashion and tried to rebuild economics from the ground up through empirical research alone, playing down economic theory altogether in that process [13]. The more general reaction, however, was not an attempt to re-work the untenable classical assumptions in order to provide a sounder sociological and psychological basis for economic analysis. On the contrary: most economists turned away in disgust from sociological and psychological assumptions of any kind. They attempted explicitly to exclude all sociological and psychological considerations as irrelevant to the economist [16]. They tried to formulate a body of “pure” economic theory for which they could claim universal validity regardless of any specific sociological and psychological conditions.

They took the position that economic behavior is concerned merely with the disposition of scarce means for given ends. This, they believe, is a universal condition of the human race. “We have been turned out of Paradise,” says Professor L. Robbins, one of the most lucid modern exponents of this position, “we have neither eternal life nor unlimited means of gratification. Everywhere we turn, if we choose one thing we must relinquish others, which in different circumstances we would not wish to have relinquished. Scarcity of means to satisfy ends of varying importance is an almost ubiquitous condition of human behavior” [19]. Thus the subject matter of economic science was conceived to be the disposal of scarce means for *given* ends; economic theory was concerned merely with the simple facts of choice or preference, while the explanation of the preference as well as the explanation of the quantity and quality of the available means was considered to be a matter of indifference to economic science [13, 16, 19].

II

ECONOMICS STANDS ALONE among the social sciences in having worked out a very respectable body of “pure” theory, but it paid a considerable

price for this distinction. Taking ends and means as *given data*, propositions of "pure" theory can indeed explain the allocation of means: when subjective desires are given and objective resources are likewise given, propositions of pure theory can explain how these resources are allocated and combined. These explanations are independent of any specific social condition, they are independent of any empirical facts; they are universally valid, but because they do not apply to any actual social condition, they are devoid of all empirical content. All propositions of "pure" theory state only logical relationships, they do not say anything about concrete phenomena. Propositions of pure economic theory are pure logic, just like propositions of pure mathematics and pure geometry. They are unconditionally valid because they are independent of any empirical facts, but because of that they are all tautologies, they are concerned with symbols, not with concrete phenomena of life, and they cannot therefore tell us any new facts about the world [6].

Although propositions of "pure" economic theory cannot be proved or disproved by any empirical facts and cannot tell us anything about empirical economic phenomena, they still serve a very useful purpose in economic science. They enable us to clarify our concepts and to see interrelationships between empirical facts. For example, just as a proposition of pure arithmetic that $9 \times 8 = 72$ enables me to pass immediately from an empirical proposition like "My bookcase contains 8 rows with 9 books each" to the further empirical proposition "My bookcase contains 72 books," in the very same way a proposition of pure economics which states that "Under perfect competition business firms are of optimum size" enables me to pass at once from an empirical statement "Competition is perfect in this market" to another empirical fact "The business firms competing in this market are of optimum size." But please note that this proposition of pure economic theory as such cannot tell me anything whatsoever about whether or not my empirical statement that "Competition is perfect in this market" is true or false [6].

A few economists are quite explicitly aware of and welcome this development of economic theory into a mere system of logical inferences. They do not *want* to deal with the empirical facts of economic behavior of actual human beings; they assume these empirical facts as given and take them as data. But it is only fair to point out that these economists are in a minority. Most of their colleagues share with all other scientists the urgent desire to formulate empirical laws; they *do* want to investigate and explain the facts of actual economic behavior. In Professor Robbins' words: "The concern of the economist is the interpretation of reality. . . .

The perception and selection of the basis of economic analysis is as much economics as the analysis itself. Indeed it is this which gives analysis significance."

This is a very sound scientific position indeed; the only trouble is, that Professor Robbins and the rest of the pure theorists eschew the methods of inductive investigation which could alone lead to the establishment of empirical generalizations about reality. Instead they claim that their universally valid deductive propositions of pure theory "somehow" possess empirical content, that actual economic behavior *does* really take the forms or "tends" to take the forms which purely logical analysis describes. They overlook that by claiming empirical content for their propositions, they are necessarily re-admitting through the windows those implicit sociological and psychological assumptions which they have so magnificently kicked out the front door. If the propositions of pure theory are supposed to reflect reality, it is again a reality in which competitive conditions and rational conduct according to the classical maximum principle are assumed to prevail.

The development of "pure" theory, then, has led economics into a difficult dilemma: economic theory can either remain "pure", which means it does not study the economic behavior of human beings at all, but makes deductions from formal propositions which have no factual empirical content. Or economic theory can claim empirical validity; then it cannot avoid dealing with sociological and psychological facts. But in this latter case it cannot content itself with implicit, untested and manifestly inadequate sociological and psychological assumptions.

III

IF ECONOMICS INTENDS to remain an empirical science, there is only one way out of the embarrassing dilemma: it must rework its sociological and psychological assumptions in order to arrive at a theory of economic behavior which will no longer be able to claim universal validity but which will enable it to grasp reality. This horn of the dilemma has been chosen in modern times by an increasing number of economists who have departed from some of the most sacred assumptions of classical and pure theory, such as the concept of equilibrium. It has always been the central assumption of classical analysis that there is a tendency toward equilibrium in the market and that all disturbances of this equilibrium are merely temporary frictions, that the market forces always tend to regain equilibrium "like water in a tank when disturbed" [6]. This static conception of the market has been given up as unrealistic by those economists who realized

that contemporary economic reality is dynamic, not static. The movements in the market are not merely short-run departures from an equilibrium position, they are movements of a quite different order. The process of industrialization with its continuous technical changes has led to a growing immobilization of market forces accompanied by sharp market fluctuations which never come back to a resting point, and may not even tend to do so. We know these fluctuations as business cycles. The business cycle is the characteristic fact of our own industrial society. That is the reason why those modern economists who attempt to build a realistic theory tend to focus increasingly on the analysis of the business cycle. "Analyzing business cycles", says Professor Schumpeter, "means neither more nor less than analyzing the economic process of the capitalist era" [23].

We call these market fluctuations cycles because they exhibit a certain regularity of time-sequence: we find a recurrent pattern in which a depression is followed by a slow revival, leading to prosperity which culminates in a boom, followed by a violent turning point, the crisis, which leads again to a depression, and so on. This kind of pattern has characterized our Western civilization for the past 150 years, and it is hardly an exaggeration to say that it is a phenomenon of paramount practical importance. We are naturally curious to know what causes this cyclical pattern, especially what causes the transition from one stage to the next within this cycle. There is no lack of ingenious theories which attempt to explain the nature of the business cycle, but there is little basic agreement between the various theories, and economists are forced to admit that the nature of the cycle still remains quite obscure.

Most of the very recent attempts to explain the business cycle, however, show a characteristic common trend: they have shifted their focus away from analyzing only the market forces "in the large" and have instead begun to concentrate their attention on the economic behavior of the individual economic actor. The modern theories have begun to drop the unrealistic assumption that human beings react mechanically to economic forces. For instance, the traditional theory of money had assumed that the quantity of money existing at a given moment in some way determined the price level, and that the price level in turn determined whether businessmen would make profits or losses, which in turn determined whether they would expand or reduce their production which in turn would have repercussions on the volume of employment. This self-consistent theory could and did completely neglect the personality of the individual businessman. He was assumed to react almost automatically to any change

in *current* prices and profits [24]. The most modern theories, on the other hand, realize that businessmen, like other humans, do not act that way. Businessmen form *decisions* about their actions by *interpreting* both the current situation as they see it, and by anticipating *future* developments. Therefore these modern theories recognize explicitly that what will happen in the business cycle, after all, largely depends upon the decisions taken by *individuals*, and that these individuals are influenced by certain *expectations* in arriving at their decisions [24].

We find, therefore, that modern business cycle analysis, particularly after the appearance of the now famous treatise by Lord Keynes thirteen years ago [10], has become actively concerned with the rôle which anticipations and expectations play in economic life. The introduction of these concepts into modern economic theory has truly opened up new vistas for the economist [11]. Of course, this does not imply that the study of expectations alone will provide the open sesame for the understanding of business cycles, for it is *not* true that anything can actually happen in economic life merely because enough people expect it to happen. The effectiveness of individual and group decisions is at all times severely restricted by those economic forces at large, which up to recently were the sole object of study for the economist. But within these limiting conditions, the anticipations and expectations of businessmen as well as of consumers do indeed play an important rôle; within those limits the way in which the present constellation of objective market forces is interpreted by individuals and groups, and the way in which they expect these conditions to change is indeed the major factor which determines future developments. That is the reason why "nearly every modern writer on the business cycle speaks of 'waves of optimism' or of 'pessimism' sweeping the business world, or of 'loss of confidence' in the future, or of relative 'liquidity preference'" [5]. There is little doubt that we could understand and predict—and maybe control—the fluctuations of the business cycle much better if, in addition to the aggregate statistical data indicating the momentary constellation of the market forces, we had some information about the way in which people are interpreting a current situation and what they expect to do about it and why. At any rate, we cannot possibly explain the turning points in the business cycle without a knowledge of the sociological and psychological factors involved.

It is thus not surprising that modern economic theorists are beginning to realize clearly that the social and psychological processes which influence the minds of individuals and groups must be taken into account quite explicitly. As Professor Schumpeter has put it: "We must discontinue the

practice of treating expectations as if they were ultimate data and treat them as what they are—variables which it is our task to explain,” and “unless we know why people expect what they expect, any argument is completely valueless which appeals to expectations as *causae efficientes*.”

It would appear, then, that such frank recognition of the importance of psychological and sociological elements for the understanding of the business cycle would have led modern economists to turn with alacrity to their colleagues in the fields of sociology and psychology for help and co-operation. Such has not been their procedure at all, however. Instead they have taken a different road: they have indeed discarded the inadequate assumptions implicit in traditional theory and have replaced them with explicit sociological and psychological generalizations. But so steeped are they in the traditional method of deductive reasoning that instead of basing their statements on inductive, empirical investigations, they are again deriving their new assumptions on the basis of deductive reasoning. Keynes, Schumpeter, Hicks and others have developed their own brands of sociology and psychology and have not bothered to check their hypotheses empirically in an established scientific manner. Indeed, some of their followers are already hard at work to establish a full-fledged “pure” theory of expectations, exploring in a most exquisite manner and with the usual highly sophisticated apparatus of curves and mathematical formulae, the full range of *hypothetical* situations [11, 24]. Thus once again we find our economists trying to dodge the arduous task of the empirical look-see approach and instead we see them, succumbing to sweet wont and use, once more taking refuge in the pleasant valley of pure reasoning.

IV

TRADITIONAL DISINCLINATIONS are, of course, not the only reason why economists are reluctant to embark on empirical methods of verifying their theoretical assumptions about sociological and psychological phenomena. The crux of the difficulty lies in the assumption underlying the “maximum principle”—from which most of economic theory has been deduced from the classical days on—that rational economic behavior consists in the attempt of every participant in the market to maximize his profits *in the short run*. This assumption may or may not be an empirically adequate generalization in a fully competitive economy of small producers. It certainly is insufficient to explain economic conduct in our modern social reality which is characterized by uncertainty, imperfect foresight and very imperfect competition. We find that in their attempts to maximize returns in our complex modern world people frequently engage

in economic behavior which differs sharply from theoretical assumptions. Contrary to the traditional propositions of economic theory we see that "in spite of falling wages workers have in many cases increased the supply of labor; a reduction in the rate of interest has sometimes stimulated savings; and the supply of agricultural products has frequently varied inversely with their price. And yet, in the special circumstances that surround them, these occurrences certainly represent adequate means of maximizing money income" [14].

It would appear, then, that there is more than one "maximum principle" and that in order to deal adequately with modern reality economic theory must recognize that fact. In our world of uncertainty and risk there is more than one way to achieve "maximum possible satisfaction with the least possible sacrifice." The "maximum principle" in its traditional formulation, however, cannot tell us anything specific about the way in which people are, in fact, trying to maximize their returns. We cannot possibly deduce the actual reactions of businessmen, or of consumers from the broadly stated traditional "maximum principle." If we want to know how people actually form expectations and how they react to expectations in a complex world of uncertainty, the only way is to go out and ask them.

That mean arduous field work and it involves the use of complicated research techniques such as interviews, questionnaires, case studies and so on, procedures which are not only expensive but which also call for specialized training. It is not surprising therefore that only a handful of studies employing such survey techniques have been undertaken to date in the economic field. What is surprising, however, is that some of the economists who have pioneered in such undertakings have not found it necessary to acquaint themselves with the fact that these research techniques are being used in sociological and psychological field work continuously and extensively and have been perfected to a high degree. They have rushed out into the field employing some home-made questionnaires and interview guides which violate nearly every rule of field research, yet they have not hesitated to base important generalizations upon their makeshift research methods.¹ Such a procedure, which manifests strikingly how completely unaware even realistic, modern economists are of what

¹ See for instance Richard A. Lester, "Shortcomings of Marginal Analysis for Wage Employment Problems," *American Economic Review*, March 1946; and the ensuing controversy between Lester and Fritz Machlup in the September 1946 and March 1947 issues of the *American Economic Review*. Another example of flagrant violations of research rules is represented by the study of Paul W. Ellis, "Effects of Taxes Upon Corporate Policy," National Industrial Conference Board, New York, 1943. Very primitive methods were also used in the pioneer studies by J. E. Meade and P. W. S. Andrews, "Summary of Replies to Questions on Effects of Interest Rates," *Oxford Economic Papers*, No. 1, October 1938; and by R. L. Hall and C. J. Hitch, "Price Theory and Business Behavior," *Oxford Economic Papers*, No. 2, May 1939.

goes on in neighboring disciplines, seriously threatens to discredit the entire field work approach and to destroy in its infancy one of the most hopeful developments in modern economic analysis.

Fortunately, however, not all of this recent field work suffers from such glaring methodological shortcomings. During the past couple of years the ball has been picked up and carried forward by George Katona and a group of associates at the Survey Research Center of the University of Michigan. These researchers, who are well trained in both the fields of economics and psychology, have already presented us with several field studies of business decisions and expectations and of consumer attitudes and anticipations [4, 7, 25].

The main method used by this research group is the sample interview survey, a technique which is frequently employed in sociological and social-psychological field work and which consists of four major steps [9]:

- 1) A representative sample is drawn from a given universe. This is a standard statistical procedure which has been so perfected that it presents no unusual difficulties.
- 2) "Specific questions are formulated so that they can be asked of all respondents in a uniform manner and can be answered by them in their own words, expressing shades of opinions and degrees of certainty or uncertainty, and giving reasons for the opinions or attitudes they have." This procedure is known among social researchers as the open-ended, detailed interview. This method, while still in a developmental stage, has been improved quite a little in recent years so that we have in it an instrument which permits incisive and reliable insights into very complex and highly personal attitudes, motives and expectations.
- 3) The interviews are administered by well-trained interviewers who manage to establish easy and good rapport with the respondents. Here also numerous devices have been worked out to guard against pitfalls and interviewer bias.
- 4) The final step consists of the evaluation of the interview. Here "coding techniques are developed for the quantification of the opinions expressed in the respondent's own words, and analysis techniques are worked out that yield objective checks of the survey data."

The interview survey technique is not the only one that can be used. In some cases mailed questionnaires will prove more effective, for other problems case studies may be needed, for yet other problems the most fruitful method will consist in participant observation. What is common to all these social research techniques is that they go directly to the

individual and manage to obtain from him information not only about his past economic decisions which have already added up into the surface manifestations of large statistical aggregates, but they also furnish information about his expectations and intentions of future behavior. These methods enable us to measure expectations, "that is to determine their direction, elasticity, and frequency distribution," and to explain them by relating them to other factors that arouse them.

V

MOREOVER, THE ECONOMIST FINDS himself in the fortunate position that he does not have to start from scratch in the application of these research techniques. Instead he will find that the assistance which the sociologist and psychologist can render him also extends to the contribution of specific findings which have been gained from other fields of behavior through the use of such techniques. "Findings made in empirical studies of non-economic behavior are often applicable to economic behavior." For an illustration we can draw upon Katona's field study of the pricing procedures of businessmen under price control during the last war [7]. In an analysis of this investigation Katona has applied some findings from experimental studies of the psychology of learning to the formation of business decisions and expectations [8].

Katona shows there that business behavior like other human behavior is in most cases learned behavior, which means that we find different businessmen responding differently to the same stimulus, depending on how the stimulus is understood by the individual businessman. For example, if the price of a specific commodity goes up, the response to this increase will depend upon whether it is interpreted as a part of an enduring upward movement, or as an unjustified departure from the normal, or still another reaction may follow if it is uncertain what this price increase means. What determines the reaction of the individual businessman is the way he interprets the meaning of this specific increase, and this in turn depends upon his understanding of the total context in which this specific increase occurred.

As a result we find that we cannot understand actual business behavior as solely determined by automatic reactions to impersonal market forces, nor can we understand it as consisting of a continuous revision of expectations. In reality we find that business actions are often habitual, routine behavior in which expectations or changes of expectations hardly play any rôle at all. That does not mean that routine business actions do not rest on well-defined principles and policies, but such policies and principles, once well understood in their original context, tend to be carried

over from one situation to another without change because the larger context often does not appear changed.

An example which Katona reports illustrates this point. In many retail lines seasonal clearance sales have been customary for a long time. Katona found that most stores in these lines still adhered to that customary policy throughout 1942, and even in January 1943, at a time when the buyer's market had already turned into a seller's market and the retailer's problem had become one of obtaining merchandise rather than selling it. The investigation showed that the storekeepers had continued their routine ways of running a store not because of any rational deliberation, but simply because they did not clearly realize that circumstances had changed radically, and that therefore their old-established policies were now out of place.

However, a short time later, these same merchants did change their policy radically, discarding all discounts. This happened when the introduction of shoe rationing in February 1943 brought about buying waves of clothing on the part of the public and announcements of forthcoming shortages on the part of government officials. These events first brought it home to the retailers that the whole situation had changed decisively, and this led them to abandon their traditional policies. Thus, expectations and business policies can and do change radically, but this happens infrequently and only when spectacular events occur which force the individual to revise his entire interpretation of the total context.

Katona came to the further conclusion "that when expectations do change, they are likely to change at about the same time and in the same direction for many individual businessmen. The subjective feeling of a changed situation and the need for reorientation in one's thinking are usually dependent upon general economic, social and political events which many businessmen experience at the same time." Now, with this statement we come to a crucial problem which points up the limitations of the investigations undertaken so far and proves the necessity to broaden the basis of future research studies. For psychological concepts alone prove insufficient for the explanation of expectations, because businessmen, just like other human beings, never act as isolated individuals but always as members of groups. Just as it would be inadequate to interpret their behavior as automatic reactions to external stimuli, it would be equally inadequate to believe that they act as lone, isolated individuals. They do not reflect upon the general situation, and then arrive, each by himself, at conclusions.

Katona partly recognizes this when he says elsewhere that "attitudes and

expectations which are enduring and powerful in framing actions do not arise without cause. They are intermediate variables, molding the understanding of economic events and their effects on people's reactions, elicited by economic stimuli." However, he implies that economic factors alone influence these intervening psychological variables when he goes on to say that "Psychological factors and traditional economic factors are interwoven in one unified pattern and must be studied together to understand economic behavior" [9]. He omits to mention another set of factors which are also necessary conditions for the explanation of changes of expectations, namely the sociological variables. When "reorientations occur among many businessmen at the same time" [8] they are not merely the effects of economic stimuli playing upon individual personalities, but there are always certain group factors involved which are independent variables.

The immediate area where the interplay of economic conditions with both the specific group structures and the psychological factors can best be studied empirically is the *informal* group. Informal organizations have recently received increasing attention in sociological research, and detailed studies of informal groups of industrial workers [20], of informal structures among business executives [1, 2] and of informal relations among racketeers have appeared [26]. We suggest that both the methods and certain concepts gained from these studies may prove to be applicable to the empirical investigation of informal interaction among business enterprisers, as it manifests itself in such processes as mutual stimulation among businessmen in the same line of business, or in the influence pattern and opinion leadership exercised by prominent individuals, by trade associations, by trade papers, by government authorities, and so on. These group phenomena must be empirically investigated if we want to understand the rôle which sociological intervening variables play in business expectations and business decisions. If we omit such group factors as opinion leadership, influence structures, etc. from explicit investigation, we would not thereby exclude them but would again treat them as given data; that is, we would implicitly assume that we can treat economic and psychological categories as variables while treating sociological categories as constants. Such a procedure would once again lead to unrealistic economic assumptions

VI

THE RANGE of empirical investigations of business behavior is, of course, not restricted to pricing procedures, although price theory is probably the most intensely cultivated part of economic theory. Field investigations will also prove very fruitful in the analysis of investment decisions "be-

cause investment opportunities are not given but are perceived or not perceived according to the subjective evaluation of past and current data and the presence or absence of certain expectations" [8]. Similarly, empirical studies of wage policies, or the influence of interest rates and of taxation on business policies may also prove valuable.

What has been said here about expectations and business decisions of entrepreneurs applies also to other groups active in economic life. As mentioned before, several empirical studies of consumer expectations have also been made in recent years: These investigations, which were undertaken for the Federal Reserve Board [4, 24], have shown conclusively that we cannot explain consumer savings and expenditures as simple functions of disposable income and its distribution, as certain economic theories would have it, but that sociological variables such as age groups, occupation, educational level, and so on, also play an important rôle. Nor would it be realistic to regard consumer expenditures as influenced at all times by definite expectations.

Another field where special research techniques would seem to be applicable is labor economics where recently some theoretical attempts have been made to conceive labor unions as mere monopolistic sellers of labor trying to maximize "something" [3, 21, 22]. Here, again the empirical investigation of the sociological and psychological factors involved in union leadership will probably yield a more realistic picture.

Sociological and psychological research techniques can thus make considerable contributions to economic analysis. It should be clearly understood, however, that these methods are not substitutions for the collection of statistical aggregates and economic analysis, they merely supplement them. It is true, of course, that both statistical methods and survey techniques are subject to a high degree of inaccuracy, and survey methods probably even more so than statistical methods. It is also true that survey techniques are quite expensive, yet both these methods are indispensable if economics is to remain an empirical science; they are the only scientific methods available.

Finally, we should like to guard against any misunderstanding: in urging economists to employ empirical methods we do *not* mean to advocate radical empiricism. Empirical economic research should not rival but should complete economic theory [13]. Economics happens to be in a particularly fortunate position, precisely because it possesses such a well-developed body of theory which can be tested empirically and which can guide field work, whereas other social sciences like sociology and social psychology have suffered gravely because of an over-rapid development of

their research techniques without a corresponding advance in theory [17]. Thus, if sociology and psychology are able to make valuable contributions to economic analysis, they will in turn reap their rewards. For sociology as well as psychology must in their turn draw upon economic data as one of their major sources, because the economic process is the dominant factor in our modern industrial society. By advancing to a more realistic description of actual economic behavior, then, economics as Lowe argues, will "give back in some measure what it receives from sociology (and psychology) for its own completion."

Rutgers University

REFERENCES

- [1] Barnard, C.: *The Function of the Executive*, Cambridge, 1938.
- [2] Barnard, C.: "Functions and Pathology of Status Systems," in W. F. Whyte, ed. *Industry and Society*, Chicago, 1946.
- [3] Dunlop, J. T.: *Wage Determination under Trade Unions*, New York, 1944.
- [4] Federal Reserve Board: "Survey of Consumer Finances," *Federal Reserve Bulletin*, June, July and August, 1947.
- [5] Hayes Jr., S.P.: "The Business Cycle: Psychological Approaches," *Political Science Quarterly*, March, 1948.
- [6] Hutchinson, T. W.: *The Significance and Basic Postulates of Economic Theory*, London, 1938.
- [7] Katona, G.: *Price Control and Business*, Bloomington, Ind., 1943.
- [8] Katona, G.: "Psychological Analysis of Business Decisions and Expectations," *American Economic Review*, March, 1946.
- [9] Katona, G.: "Contributions of Psychological Data to Economic Analysis," *Journal of the American Statistical Association*, September, 1947.
- [10] Keynes, J. M.: *The General Theory of Employment, Interest and Money*, London, 1936.
- [11] Lachman, L. M.: "The Role of Expectations in Economics as a Social Science," *Economica*, Vol. 10.
- [12] Lester, R. A.: "Shortcomings of Marginal Analysis for Wage Employment Problems," *American Economic Review*, March, 1946.
- [13] Lowe, A.: *Economics and Sociology*, London, 1935.
- [14] Lowe, A.: "A Reconsideration of the Law of Supply and Demand," *Social Research*, November, 1942.
- [15] Lynd, R. S.: *Knowledge for What?* Princeton, 1939.
- [16] Mitchell, W. C.: "Human Behavior and Economics: A Survey of Recent Literature," *Quarterly Journal of Economics*, Vol. 29.
- [17] Murphy, G.: "The Research Task of Social Psychology," *Journal of Social Psychology*, February, 1939.
- [18] Murphy, G.: "Psychology and the Post-War World," *Psychological Review*, Vol. 49.
- [19] Robbins, L.: *An Essay on the Nature and Significance of Economic Science*, 2d ed., London, 1935.
- [20] Roethlisberger, F. J. and W. J. Dickson: *Management and the Worker*, Cambridge, 1939.
- [21] Ross, A. M.: "The Trade Union as a Wage-Fixing Institution," *American Economic Review*, September, 1947.
- [22] Ross, A. M.: "Wage Determination under Collective Bargaining," *American Economic Review*, December, 1947.
- [23] Schumpeter, J.: *Business Cycles*, New York, 1939.
- [24] Shackle, G. L.: "The Expectational Dynamics of the Individual," *Economica*, Vol. 10.
- [25] U. S. Bureau of Agricultural Economics: "National Survey of Liquid Asset Holdings, Spending and Saving," *Federal Reserve Bulletin*, June, July and August, 1946.
- [26] Whyte, W. F.: *Street Corner Society*, 1943.

Private Enterprise in Education

THE PRIVATE INSTITUTIONS of higher education in the United States and the business men who have traditionally supported them are more than a little concerned over the tendency of the State to assume progressively greater responsibility in the area which they have themselves until recently dominated. They are particularly alarmed at the recommendations of the President's Commission on Higher Education that federal and state funds be made available to provide for a great increase of the number of students by 1960. They are worried, too, that if our private institutions accept public funds the State will impose controls upon them which will jeopardize the proud and hard-won and necessary freedom of inquiry that private institutions are alleged to enjoy to a greater degree than public ones.

It must be obvious that society has the right to the kind and amount of higher education that is necessary to its standards of civilization. For its progressively more varied production and service and for its ever richer cultural life American society demands more education. It is obvious also that in a democratic society like ours the economic, racial and religious barriers to equal educational opportunity for American youth must be removed. To the extent that this expansion of higher education can be provided by private gifts, we Americans naturally prefer private institutions. But the needs of society and of American youth are paramount; hence, when the limit of private support is reached, we shall have to resort to public support.

This, too, seems evident—that freedom of inquiry for teachers and students does not depend primarily upon the source of educational funds. It depends, in both public and private institutions upon the degree to which public opinion is convinced of its necessity. If the average citizen believes in freedom to learn, our faculties and students will be safe in its practice.

Perhaps that which more than anything else justifies the private schools is the same as that which justifies private ownership and management in business, namely, ENTERPRISE. Private schools are more free than public schools in the use of venture capital, more free to experiment and to insist on quality instead of a dead level of quantity, to invent new ways, to try new ideas.

BRYN J. HOVDE

*New School for Social Research,
New York*

Discrimination in Employment

By ROBERT D. LEITER

WHEN THE PRESIDENT, in July 1948, provided by Executive Order 9980 for a fair employment practices program within the executive branch of the government, to be administered by the several departments, with final appeal to a Fair Employment Board in the Civil Service Commission, he gave tangible evidence of his intention to press for antidiscrimination legislation. A growing number of states and municipalities already had passed laws. New York, New Jersey, Indiana, and Wisconsin enacted antidiscriminatory employment laws in 1945, Massachusetts followed in 1946, and Connecticut joined the other states in 1947. The cities of Chicago, in 1945, Milwaukee, in 1946, Minneapolis, in 1947, and Philadelphia, in 1948, enacted strong local laws prohibiting such discrimination, the latter two establishing special enforcement machinery. Early in 1949, New Mexico, Oregon, Washington, and Rhode Island passed antidiscrimination statutes. A few additional states and many cities have laws that are limited in scope.

The experiences of the states serve as clues to possible developments under a national fair employment practices act. In February 1948, the Senate Committee on Labor and Public Welfare approved Senate Bill 984, Eightieth Congress, prohibiting discrimination in employment based on color, religion, or national origin. Similar legislation introduced in this session of Congress faces a long and severe battle. Opponents prophesy dire consequences to the economic, political, and social structure of the nation, if the proposed legislation is enacted. However, many of the same arguments were presented at the time the state laws were debated and under consideration. The record of events has not substantiated these fears. Though the problems appear more complex on a national scale, they are not insurmountable.

Fair Employment Practice Committee

THE FEDERAL GOVERNMENT vigorously attacked the problem of discrimination long before any of the states had acted effectively. The first step in setting up administrative machinery was taken in July 1940. It was clear that the defense program would make necessary effective use of available manpower. The executive branch of the government established an office in the labor division of the National Defense Advisory Commission to facilitate the employment and training of Negro workers. Many federal agencies agreed to co-operate with this office.

In response to complaints that the measures taken were inadequate, the president issued Executive Order No. 8802 in June 1941, which established a committee on fair employment practice to eliminate discrimination in employment because of race, creed, color, or national origin. Power was given the committee to investigate complaints and to redress valid grievances. It was authorized to make recommendations to government agencies and to the president.

The volume of work became so large that a reorganization of the committee became essential. A new Executive Order, No. 9346, in May 1943, created the position of fulltime chairman and enabled the FEPC to enlarge the staff and establish field offices. The functions of the committee were carried out for and in the name of the President. The powers which were delegated to it stemmed from the authority of the President as administrative head of the executive branch of the government to direct the federal agencies and as commander in chief to assure adequate supplies for the armed forces.

The duties of the committee thus extended to investigation of discrimination in government agencies, in government-sponsored training programs, in private industries engaged on government contracts, and in all essential war industries. The authority of the FEPC included the power to require labor unions to eliminate policies which were discriminatory. The committee did not have jurisdiction to deal with privately-owned and operated plants not holding government contracts or subcontracts and not engaged in essential war activities, even when the plants were engaged in interstate or foreign commerce. Local enterprises and the armed forces also were outside the scope of the committee's authority.

The committee handled thousands of complaints. Primary reliance was placed on persuasion, though in the more difficult cases the aid of the contracting government agencies, the War Manpower Commission, and the President was sought. Some of the stubborn cases were never adjusted, even after public hearings were held. The committee had no power to compel obedience and no specific penalties were provided in the Executive orders. Though the committee at first had to rely on Executive funds to carry on its activities, Congress made annual appropriations during the last two years of operation.

The work of the FEPC continued after the end of the war with respect to discrimination in industries engaged in work contributing to the production of military supplies or to the effective transition to a peacetime economy. The committee ceased to function in June 1946, after an existence of five years, when Congress failed to appropriate funds for the

ensuing fiscal year. Attempts that had been made in Congress during that period, at the urging of many outstanding civic leaders, to establish a permanent fair employment practice committee failed decisively because of the opposition of powerful groups.

The FEPC was instrumental in reducing friction and tension in American industry during the war years ("Final Report," 1946, p. viii). But signs of losses in the wartime gains of Negro, Mexican-American, and Jewish workers were becoming increasingly apparent to the committee at the time it was making its final report to the President less than one year after the end of the war.

In December 1946, the President, by Executive Order No. 9808, created a President's Committee on Civil Rights to inquire into the means of strengthening the civil rights of the people. The report which this committee of distinguished Americans issued at the end of 1947 urged the enactment of federal and state laws prohibiting all forms of discrimination in private and public employment based on color, creed, or national origin ("To Secure These Rights," pp. 53-62, 167-8). Then, in a special message to Congress, the President asked for a law to create a permanent FEPC. This demand was reaffirmed in the Democratic Party platform of 1948; and was urged upon Congress again by the President in his state of the union message.

Opposition to a federal law prohibiting discrimination in employment has been based on a variety of arguments. There appears to be little doubt, however, of the constitutionality of such a law. The United States Supreme Court has said:

Race discrimination by an employer may reasonably be deemed more unfair and less excusable than discrimination against workers on the ground of union affiliation (*New Negro Alliance v. Sanitary Grocery Co.*, 303 U.S. 552, 561; 1938).

And the Supreme Court has upheld the National Labor Relations Act which prohibits discrimination for union activity. Though recognition of the right to work without discrimination invades the right to employ and to contract, freedom of contract is not absolute (*Nebbia v. New York*, 291 U.S. 502, 527; 1934).

Criticism of such legislation has been based on the claim that entrenched viewpoints and customs cannot be eliminated by law and that effective administration and enforcement would be impossible. Opponents have expressed the opinion that business enterprise would be adversely affected if an employer were forced to hire employees with whom he prefers not to deal. They claim that public morale and minority groups would suffer rather

than benefit from any attempt to substitute legislation for education. Tentative answers refuting these arguments may be found in examining the experiences of those states having antidiscrimination laws since some of them have been in effect for more than four years.

The attempt of the federal government to eliminate discrimination in employment based on race, creed, color, or national origin demonstrated that much could be accomplished with adequate administrative machinery. It showed, however, that means of compulsion to insure compliance with orders against discriminatory practices, would enhance vastly the effectiveness of an administrative agency. New York and New Jersey were the first states which adopted this plan. They were followed by Massachusetts, Connecticut, New Mexico, Oregon, Washington, and Rhode Island. The laws in Wisconsin and Indiana have no enforcement provisions and are therefore essentially of an educational and advisory nature.

State Antidiscrimination Laws

THE LAWS of the eight states having effective enforcement machinery are substantially similar to each other. However, the operations under the New York law have been most extensive, mainly because appropriations allotted to the administrative agency have been largest. The funds available to the New York agency, about \$400,000 annually, have been more than six times as great as those granted by the New Jersey and Massachusetts legislatures to their commissions. The analysis of the typical state law therefore will stress the developments in New York.

New York state always has been among the first to adopt liberal labor legislation. Beginning in 1909 when discrimination for race, creed, or color in the selection of jurors was prohibited, statutes have been enacted to eliminate discrimination in employment. In 1944, the FEPC reported that New York had the most comprehensive state legislation of this type.

For in addition to the 1909 law, the state forbade, in 1932, teachers' employment agencies and school officials to inquire about the religion of any applicant for a position in the public schools. In 1933, it was made a misdemeanor for a public utility to refuse to employ a person because of race, color, or religion. In 1935, it became mandatory for state and municipal contracts to obligate a contractor or subcontractor not to discriminate for race or color and provided a penalty for violations. It was made unlawful, in 1940, for a union or member of a union to deny membership to any person because of race, color, or creed; or to discriminate against a member for any of these reasons in making recommendations to the employer for employment, promotion, or dismissal. Then in 1942, a law specified that fines were to be levied against anyone excluding a

citizen of the state from any public employment or from any defense contract because of race, creed, color, national origin, or previous condition of servitude.

None of these laws created any specific administrative body to carry out the prescribed provisions, but they left the enforcement to the ordinary routine of the courts. Not only was the scope of the legislation limited, but the intent was ignored and disregarded. Although some of these forbidden practices were known to have taken place, no cases were brought or tested in the courts.¹

The development of administrative machinery in New York created deliberately to combat discriminatory behavior in employment had its beginning in 1937 when a commission on the condition of the urban colored population was formed. During the two years of its life it recommended several bills to the legislature. In 1941, the governor appointed a committee on discrimination in employment as part of the New York State Council of Defense (later War Council). The committee investigated discrimination in war industries and by hearings, persuasion, and conciliation was able to adjust satisfactorily over 95 per cent of more than 1,000 cases coming to its notice (*Report*, 1945, L.D. 6, p. 21).

In order to formulate the plans for a permanent program to eliminate discrimination, the state created a temporary commission against discrimination in 1944. The purpose of the commission was to recommend permanent legislation. Irving M. Ives, who was then a member of the State Assembly, was elected chairman. Extensive hearings were held by the commission in the leading cities of the state, at which all interested persons were given the opportunity to express their views. Most of the 200 persons who testified were in favor of permanent legislation (*Ibid.*, p. 24). The temporary commission drew up its recommendations and presented them to the legislature and the governor at the end of January 1945.

The state legislature acted favorably shortly thereafter, and the governor signed the measure in March. It is known as the New York State Law against Discrimination (Ives-Quinn Law) and became effective on July 1, 1945.² Four years of operation is a sufficient period to warrant a pre-

¹ Charles H. Tuttle, "The New Law against Discrimination," *New York State Bar Association Bulletin*, April 1945, p. 79. The New York laws are the most extensive, but many states have antidiscrimination statutes of limited applicability.

² Constitutionality of the New York law is somewhat more assured than that of any federal law which might be enacted because of the provision in the New York constitution, adopted in 1938, prohibiting discrimination in the civil rights of any person. The debates in the New York constitutional convention that year show that the term "civil rights" was intended to cover the right to justice in the field of employment; see *ibid.*, p. 18. However, it is probable that the constitutionality of the New York law will be tested for consonance with the United States constitution.

liminary judgment upon it. The law itself, however, has never been explained fully to the people so that much confusion, misunderstanding, and lack of understanding continue to exist.

The law establishes a state commission against discrimination (SCAD) in the executive department, consisting of five commissioners appointed by the governor for overlapping terms of five years. Each member receives \$11,000 a year. The governor appoints the chairman. The SCAD investigates complaints and enforces the provisions of the law. Its headquarters are located in the state capital at Albany, but the bulk of its personnel is employed in New York City. Other offices have been established in Buffalo and Syracuse, and part time facilities are available in White Plains and Binghamton.

The Act is intended to protect employees and applicants for employment from discrimination because of race, creed, color, or national origin. Unlawful employment practices are specified. The employer may not use any discriminatory characteristics as grounds for hiring, discharging, or adversely affecting the terms of employment of a worker or an applicant for work. Labor unions are forbidden to expel, or to refuse to admit with equal privileges, members because of race, creed, color, or national origin. Unions may not discriminate against any employer because of these enumerated characteristics. Neither employers nor employment agencies are permitted to use discriminatory specifications in advertising for applicants and all application forms must be free from questions regarding these matters. In addition, all persons are forbidden to encourage any deed which is prohibited by this law.

The New York law covers all employers who hire six or more persons, except clubs which are exclusively social, and nonprofit fraternal, charitable, educational, or religious organizations. Individuals in the domestic service of a person, or those working for parent, spouse, or child are not included among employees. However, hotels and similar organizations employing domestics do count such workers as employees. Exemptions and exceptions are included in the law for reasons of practical administration.

The commission accepts complaints of unlawful employment practices from an aggrieved person or his attorney, but the industrial commissioner or the attorney general also may file them. A complaint must be submitted within 90 days after the alleged act of discrimination. The chairman of the commission designates one of the commissioners to investigate. If the charge seems well founded the commissioner attempts to eliminate

the unlawful practice by conference, conciliation, and persuasion. The discussions with the employers may not be disclosed or used in any future action. To prevent private settlements complaints may not be withdrawn without the approval of the commissioner. If conciliation and persuasion are unsuccessful, the commissioner orders a hearing before three of the other commissioners.

The commission receives pertinent testimony and may subpoena witnesses, but is not bound by the rules prevailing in the courts. It may require the production of related books and papers. On its findings, the commission issues an order. The complaint may be dismissed, or the allegation may be substantiated. In the latter case the order would require the employer to cease his unlawful employment practices. The employer may be ordered to take affirmative action, including hiring, reinstatement, or upgrading of employees, with or without back pay. Labor unions may be ordered to restore complainants to membership.

The commission may go to the state courts for enforcement of its orders. Any aggrieved person also may appeal the order within thirty days and obtain review of the case by the courts. Willful interference with the commission or willful violation of any order is a misdemeanor punishable by imprisonment up to one year, by a fine of not more than \$500 or by both.

The law permits an employer to file a complaint when any of his employees threatens to impede, or refuses to co-operate with, the enforcement of the statute. The commission then may undertake conciliation or other remedial action. Actually the operation of the statute has not brought on any mass resignations by employees nor has it disrupted morale among them. The SCAD has required all employers, employment agencies, and labor unions subject to its jurisdiction to post notices containing a summary of the law in conspicuous places in their establishments. Though this power was not granted specifically to the commission by law, none of those affected by the order has failed to comply.

The problems facing the SCAD have been grave because of the conglomeration of groups dwelling in the state. The different religions, colors, and national origins of the population are especially marked in New York City. The commission has scrutinized closely the hiring practices of employers because most cases of discrimination occur at that point. Much time has been devoted to a consideration of the application form and to the kinds of questions which the employer may or may not ask of the applicant.

Typical questions which the employer may not ask are the place of birth of the applicant or of members of his family, the original name of the applicant or the maiden name of his wife, or the place of residence of his family. No inquiry may be made as to whether citizenship is the result of naturalization or native birth. An applicant may not be asked for a photograph, for a birth certificate, for his complexion, or for the list of organizations with which he is affiliated if the name or character indicates religion, color, or national origin.

An employer may require an applicant to give his place of residence, age, schooling, and work experience. Questions regarding membership in the Communist Party, military experience in the United States armed forces, and regularity of attendance at a house of religious worship are permitted. The employer is not allowed to ask applicants to fill out medical cards, insurance bonds, or social security forms, until after they have been hired, if any information requested on these documents pertains to race, religion, or national origin. All these prohibited and objectionable questions, however, may be asked after the employee has been hired, providing the responses are not used as a basis for discrimination.

The commission has ruled that although the employer has the right to set job specifications, employment on the basis of religion, color, or national origin may be practiced only when these characteristics constitute *bona fide* job qualifications. For example, when salesmen deal with customers who use a foreign language, the employer would be permitted to require applicants to speak that language. But preferences of customers or traditional practices generally would not be considered *bona fide* job qualifications. Without doubt, the employer may not segregate the protected groups by putting them in separate departments, or setting up separate dining or toilet facilities. In doubtful cases, the SCAD will issue advance rulings on the legality of specific pre-employment inquiries.

The enforcement agencies are reluctant to substitute their own judgment of an applicant's qualifications for that of the employer. Generally, if the employer decides that the personality of an applicant is unpleasant or unsuitable for a particular job, the commission will accept the decision, even though its investigation may show no personality defect. Only if there is overt and obvious discrimination will the commission attempt to get the employer to hire the applicant.

Recently a Negro girl applied for a job as a file clerk in one of the largest chain store systems. When she was rejected, she suspected discrimination and complained to the New York commission. The investigation revealed that the personnel officer had turned her down under a nota-

tion of bad appearance. The commission, however, was convinced that her appearance was satisfactory. Further probing into the employment policies of the company disclosed that of 1,500 jobs in the New York area, only seven were held by Negroes; and each job was custodial. After conferences and negotiations the commission advised the company to reconsider the girl. She was then hired as a file clerk. Several months later, a check of the firm showed that a dozen Negroes were holding positions in clerical and administrative capacities.

The commission may *order* the company to take affirmative action, but has not yet found it necessary to do so, since its advice always has been accepted. On numerous occasions, the SCAD has recommended back pay for an applicant discriminatorily refused a job. The employers have made such payments to the commission which then has transmitted the money to the complainant.

The state attorney general has ruled that the coverage of the law extends to state and local government agencies, including public educational bodies. Though educational and charitable organizations are excluded, employment agencies that obtain personnel for such institutions are subject to the law; and employment agencies operated by nonprofit organizations have been deemed to come under the statute. Recently, the employment office of a large New York City university, after lengthy conferences with the SCAD, decided to remove discriminatory questions from its application blanks.

Effectiveness of the State Laws

ALTHOUGH THE IVES-QUINN LAW prohibits discrimination in employment based on four categories—race, creed, color, or national origin—the SCAD has used only three for purposes of classification. Race and color are combined into one group and cover complaints based on discrimination against Negroes. Creed covers questions of religion. National origin is defined by the law to include ancestry. Discrimination against Chinese and Japanese falls under the aegis of the term national origin rather than color. The three minority groups bringing the greatest number of complaints are Negroes, Jews, and Italians. Occasionally, however, even native white Protestants complain that employers discriminate against them.

The effectiveness of the SCAD is only partially determinable by the number of complaints, since many complaints involve companies hiring thousands of employees. Therefore hundreds of job opportunities sometimes may be created for minority groups as a result of the adjustment of a single complaint. The commission checks the specific allegations of the complainant in every case submitted to it, but regardless of whether the

charges are sustained, the commission investigates the general employment policies of the company. All cases are reviewed six months after they are closed, to determine whether the conciliation agreement is being carried out.

One thousand two hundred and eighty-one complaints were filed during the first three and one-half years of operation, or slightly more than one a day. Ninety-one per cent were closed during that time and 9 per cent were still active. The 91 per cent of closed cases included 8 per cent in which the commission found that it had no jurisdiction either because the complainant or the respondent was exempt from the coverage of the law or because the alleged discrimination was not related to employment. Two per cent of the complaints were withdrawn, 38 per cent were found to be without merit, and 20 per cent of the cases, though lacking merit in the specific charge, led to changes in the employment policies of the firm. In 23 per cent of the cases the allegations were proved and an adjustment for the complainant followed.

About 69 per cent of all complaints deal with discrimination for color, 17 per cent of the cases with religion, and six per cent of the cases involve national origin. The remainder pertain to the appropriateness of questions on the application form and to miscellaneous matters. Eighty-four per cent of the complaints are filed against employers, nine per cent against trade unions, five per cent against employment agencies, and two per cent against governmental bodies.

Although the SCAD has required the employer to take positive action in only 43 per cent of the cases, it avers that the objective is not an impressive number of cases handled, but fair enforcement of the law in connection with those complaints brought to its notice. It feels that an overzealous prosecution might be harmful since it might stir up antagonisms and animosities.

The commission prefers to gain its objectives through conciliation and persuasion, but if necessary reminds the employer that the law provides sanctions. To the present time, none of the commissions has held hearings in any case. All cases except those still pending have been settled informally by conference, conciliation, and persuasion. Both large and small employers have been hesitant to attract the public attention that would result from a hearing. Some small employers have desired to avoid the costs of a formal hearing. Unfortunately the SCAD construes the law to prevent any disclosures regarding the details in the handling of the complaint, except where the complainant or the respondent has initiated publicity, or where consent has been obtained from both parties. This reticence has

made unavailable much valuable information regarding the operation and success of the law.

Some private groups have urged the commission to hold public hearings and to issue cease and desist orders to increase the effectiveness of the law. The commissions are proud of their records of conciliation. Although public hearings on employment practices and more vigorous commission campaigns to eradicate discrimination in specific industries would increase publicity, most of the criticism for any ineffectiveness and for the relatively few complaints filed must be leveled against the public and the interested private agencies.

Many persons who are discriminated against do not know their rights. But others who do, refuse to file complaints. They fear retaliation or blacklisting by the employer. The National Association for the Advancement of Colored People, the American Jewish Congress and similar civic groups should make more strenuous efforts to aid those who are unfamiliar with the legal processes. Discriminatory conditions must be brought to the commission's attention before it can intervene.

The SCAD, however, has recognized that aggrieved persons would not always be willing to file complaints. It therefore originates investigations where there is public belief that discrimination is practiced. In these cases no enforcement powers are lodged in the New York commission; the commissions in Massachusetts and Connecticut, however, may issue complaints upon their own initiative. The New York commission has initiated nearly 400 investigations to determine whether discrimination exists. Just under 70 per cent of the investigations completed disclosed discrimination and resulted in modified employment policies.

Conferences were largely responsible for the elimination of discriminatory provisions from the constitutions of many labor unions. Particular success was achieved in obtaining the co-operation of the railroad unions, many of which had notorious records of discrimination against Negroes. A dozen railroad unions have either eliminated discriminatory constitutional clauses or have agreed that discriminatory bylaws should be inoperative in New York state. The SCAD prohibits separate auxiliary locals of Negroes, although the National Labor Relations Board has never barred segregation. The changed practices already have increased employment opportunities for Negroes on the railroads. These successes have not been widely publicized.

Various employment agencies still covertly practice racial and religious discrimination, but many others have accepted the law and obey its provisions. Illegal questions now rarely are found on the application blanks

of employment agencies. The commission points out that discrimination may occur even when the motives are not evil. An agency, without any attempt to discriminate, sometimes does not refer Negroes or Jews to jobs because it knows that they will not be hired. The agency is trying to save the applicant the time and energy of traveling to the company as well as the embarrassment of being turned down. The SCAD stresses that such action is illegal. It has been successful in eliminating discriminatory want ads from New York newspapers after conferring with publishers and advertising men.

It already has been mentioned that the law of New York is substantially identical to those passed in seven other states. Though the discussion has emphasized the operation of the statute in New York, differences in the vigor of enforcement among the commissions are due only to the fact that more funds are available to the New York commission. The SCAD therefore has acted as the pioneer agency. In testifying before the Senate committee on a national FEPC law, both the assistant commissioner of education in charge of antidiscrimination in New Jersey and the chairman of the Massachusetts commission praised the operation of their respective laws and urged that a national statute be adopted. An average of one complaint is received every two days in New Jersey and about 22 complaints are filed each month in Massachusetts, mainly in the city of Boston. The SCAD has co-operated with the commissions in New Jersey, Massachusetts, and Connecticut in investigating industries and labor unions engaged in interstate operations. Good results have been achieved (*Annual Report*, 1947, pp. 12-3).

Undoubtedly greater difficulty would be met in enforcing a national law because of the greater diversity of situations and problems that would arise. Discriminatory barriers, of course, have been strongest in the South. Obstacles, however, should not prevent the attempt to eliminate undesirable conditions. Tremendous strides have been taken in New York. The record of the SCAD is commendable and belies the ominous forebodings predicted by some opponents of the measure. Employers have not complained that compliance with the law has reduced their income or turned away customers. Nor have any employers left the state because of the law (*Annual Report*, 1945-6, p. 17).

State Education and Publicity

THE DRAFTERS of the antidiscrimination statutes recognized that attitudes and practices of discrimination could not be eradicated without arduous and long labors. The laws therefore provide for educational and informa-

tional machinery to help achieve their purposes. The SCAD has the authority to combat all forms of discrimination. Educational campaigns are conducted mainly through the organization of advisory agencies and councils throughout the state which study discrimination, foster good will, and suggest programs for the education of the public. The New York commission also has the power to issue research publications and documents and it established a department of public relations, education and research to forward this work.

The purposes and importance of the antidiscrimination law are being taught in the New York City public high schools. The SCAD works in co-operation with the Department of Education planning school curricular and extracurricular activities, including teacher-training and adult education.

In addition to the formation of community councils, the commission prepares radio programs, magazine articles, pamphlets, posters, and documentary films. Much time has been spent by the commissioners in addressing groups of employers, community organizations, and interested students in order to clarify the objectives and purposes of the law. These meetings generally are open for discussion.

Conclusions

THE PEOPLE of several states through their commissions against discrimination have shown effectively that democracy can be made to work in the sense that equality of opportunity in employment can be achieved so far as these specific inequities are concerned. Legislation creating commissions to combat discrimination in employment provides moderate but forceful tools to enforce public policy. Such commissions merit support as long as they continue to manifest substantial progress in eliminating bias.

It is obvious that changes are taking place about us. Though one never saw a Negro operator of a trolley car or bus on the privately-owned transit lines of New York City until four years ago, many Negroes have found such employment since the passage of the New York law. Today, too, department stores are hiring Negro sales clerks for the first time, theaters are hiring Negro ushers, and other minority groups have greater opportunities in clerical and administrative work.³

³ Undoubtedly, the tight labor market was responsible for some of the increased employment opportunities of minority groups. But the records of the commissions are replete with cases where employers accepted such workers only after pressure from the commissions. Yet a recent joint study by the American Jewish Congress and the Research Committee on Intergroup Relations disclosed that only 8 per cent of the public in the sample studied had any genuine understanding of the New York law and that 19 per cent felt that they had experienced discrimination; see *New York Times*, Dec. 19, 1948, p. 51:3.

The fear that frivolous and unwarranted complaints would subject employers to vexatious harassments has not been substantiated. Conference, conciliation, and persuasion have been powerful tools in bringing about new understanding in employment relations. Much still remains to be done and many areas of employment still are characterized by discriminatory practices. Yet the problems are delicate. It seems that the general improvement in correcting conditions of discrimination may be expected to continue.

Experience of the federal and state governments with antidiscrimination policies in employment demonstrates that federal action along these lines should be adopted. Legislation proposed by Congressional leaders may be somewhat weaker than the New York law. But it deserves speedy enactment to help bring about greater equality of economic opportunity in this country, and to open the way toward eliminating barriers other than bias and prejudice to the achievement of this fundamental ideal of American democracy.

City College of New York

Research in Race Relations

THE COMMITTEE on Education, Training and Research in Race Relations of the University of Chicago, in co-operation with the American Council on Race Relations, is conducting an inventory of research in race relations and minority group problems, in order to make available information on current research which will be of value to persons and agencies carrying on research and also to those engaged in action programs in the field. It is planned to issue quarterly bulletins describing current and recently completed research projects. Two bulletins have already been issued, dated June 30, 1948, and December 31, 1948. The inventory bulletins carry accounts of two kinds: (1) descriptions of studies reported in answer to the inventory questionnaire and (2) abstracts of studies contained in published articles, pamphlets and books. All those who are engaged in research in racial and cultural relations are invited to write to the committee for the inventory questionnaire, on which they can report studies already completed or in progress. The address is Committee on Education, Training and Research in Race Relations, The University of Chicago, 4901 Ellis Avenue, Chicago 15, Illinois. [Announcement from the committee.]

The Crime of Genocide

By RICHARD CLAUGHTON

MORE THAN 150 YEARS have passed and gone since Robert Burns wrote his famous dirge, "Man was Made to Mourn." The poem deals with the perpetual economic condition of men, and perhaps it is not inappropriate, at this time, for us to consider what is implied in the seventh verse, which is so often overlooked by those who would draft documents containing provisions for the reform of what is called humanity:

Many and sharp the num'rous ills
Inwoven with our frame!
More pointed still we make ourselves
Regret, remorse, and shame!
And Man, whose heav'n-erected face
The smiles of love adorn,—
Man's inhumanity to man
Makes countless thousands mourn!

This verse, quoted in the past more often perhaps than any other written by a poet, goes to the very depths of our brutish nature. But the atrocities committed by man upon man, to which he refers, were economic and social—those evils which persist in times that are called peaceful, generation after generation, almost without end. It is only when a ruthless war has been waged that the generality are conscious of the evil deeds provoked during the strife, and many have been the efforts made by politicians, prelates, and leaders of thought to outlaw the atrocious actions of the contending forces.

However, little has been done to change man's inhumanity during days of peace, and until we set about doing something positive in this direction, we shall have wars, more wars, and greater wars. Aristotle says: "Poverty is the parent of revolution and crime." And before him, Socrates said that wanting a slice of your neighbor's land leads to war. It is not because advice and warning have been lacking that we find ourselves today in the gravest crisis of the ages. Moralists—whether poets or philosophers—all down the centuries, have been in unanimous agreement on this question of what should be done to avoid the pitfalls of evil; but they have failed signally to change the character of man, who has persisted in perpetuating the grossest outrages ever since he set up his instrument of evil, the political State.

Morality and Vengeance

IF CONFUCIUS WERE ALIVE and were to take a cruise around the earth today, he would soon learn that men were still playing the same "fantastic tricks before high heaven as make the angels weep." The only new feature he would note is that the righteous have become more self-righteous, and in their opinion the opponents have become more wicked. In connection with this, he might also discover that it is now much easier for the pious nationalist to commit crimes similar to those he condemns his enemy for doing. He might recall his saying to his disciples: "Oppressive government is fiercer and more feared than a tiger."

Half this century is drawing to a close, and the records show that the ancient world, under Persia, Macedon, and Rome, wrought nothing in the way of horror that can be compared with the wars of this generation. Perhaps they differ in this respect—that conquerors in the past were not so unctuous about their aims as they are in our time. Imperial desires were not hidden under such humanitarian pretexts as "saving democracy" and "preserving civilization."

It may be assumed that no statesman or prelate of the long past thought of saving humanity, with all its sins, by devising every conceivable means of destroying it. Lord Acton remarked that nearly all great men were bad men, but he might have admitted that many had a keen sense of humor. What would Montaigne say about our war moralists, if he were here? His essay, "Of the Caniballes," provides the answer: "I am not sorry we note the barbarous horror of such an action, but grieved, that prying so narrowly into their faults we are so blinded in ours."

During the recent trials of war criminals in Central Europe a reign of terror raged in the occupied territories which matched the barbarities of the war, but there is no report of one of the trial judges or their court aides taking any notice of it. Of course not! It was their particular duty to deal with the barbarities of the enemy. The question of what had been done in the past or of what was taking place round about them was no concern of theirs. They had a specific duty to perform. That it savored of vengeance more than justice did not seem to bother them a bit. The war was over, and the victors made laws to suit the exigencies of the occasion. Their authority resided solely in the power and force that a triumph of arms had given to them. It was quite a new notion in law that victors in a war were morally fitted to pronounce judgment on the enemy for transgressions perpetrated before and during the carnage, which in the murky past had been committed in greater or less degree by all the powers engaged in the strife.

However, new ways of dealing with enemy criminals had to be invented, because there was no precedent for the actions they desired to pursue from the first. Although some high-minded jurists in England and in America disagreed profoundly with the course the victors intended to take, popular clamor, stimulated by insidious propaganda, was preponderantly on the side of vengeance.

In an address delivered by Brig. Gen. Telford Taylor, Chief of Counsel for War Crimes, Office of the U. S. Military Government, to the Academy of Political Science, on April 7, 1949, there is an appraisal of the Nuremberg trials which reveals some of the peculiar problems the procedures leave unsolved. General Taylor says:

. . . The basic integrity of the proceedings has been impugned as an unworthy exercise of the victor's might—a "trial of the vanquished by the victors"—and several of the Nuremberg principles, notably the concept of the crime of aggressive warfare, have been challenged as *ex post facto* in character, and therefore legally invalid. . . . A lawyer will view the trials as the focus of many novel and difficult legal questions, both substantive and procedural. . . .

However, a problem greater than the *ex post facto* difficulty will engage the attention of the unbiased legal historian when he sets to work upon the validity of the procedures prior to and during the trials. It is now a matter of bitter controversy whether or not the fulsome claims of the judges and their assistants will stand up for long against the searching criticism of those who denounce the methods and aims of the victors of the war.

Those interested in the alleged legal contrivances for devising a plan for a trial court should refer to Associate Justice Jackson's report to the International Conference on Military Trials in 1945, as published by the Department of State (Publication 3080, February 1949). The record in these documents of the questionable practices of the Allied lawyers is illuminating and goes far to provide many of the points of protest raised by those who are not satisfied with either the pre-trial proceedings or the conduct of the court. Jackson says: "One of the chief obstacles to this trial was the lack of a beaten path." This admission is sufficient to condemn the artifices that were necessary to find a means of bringing the Nazis to trial. All law follows a beaten path, unless a dictator relegates to limbo the statute book. But as international law is in a state of suspension during a conflict, as the history of all wars demonstrates clearly, some method beyond law had to be resorted to in this case.

Justice Jackson's secretary, Elsie L. Douglas, informs us in the Foreword that certain preliminary documents formed the background of the meeting, but

. . . Although some of them, such as the Cabinet memorandum for President Roosevelt's guidance at Yalta in June 1945, and Mr. Justice Jackson's report were American rather than international documents, their influence in initiating and shaping the negotiations seems to require their inclusion.

Now the first document is dated January 22, 1945, some months before the end of the war with Germany. And it should be pointed out that the conference at Yalta did not take place in June 1945, but in the preceding February. In the report of it signed by Churchill, Roosevelt, and Stalin, we are informed of the plans agreed upon for dealing with the Nazi regime and bringing the culprits to trial. However, it is plainly stated: "It is not our purpose to destroy the people of Germany, but only when Nazism and militarism have been extirpated will there be hope for a decent life for Germans, and a place for them in the comity of nations." This is merely one of the gratuitous platitudes enunciated during World War I.

Justice Jackson admits that "in pursuit of it [constructive work for the peace of the world] many mistakes have been made and many inadequacies must be confessed." Of course! Who would expect any other results? And herein lie the deeper problems confronting those who imagined that all they had to do was to bring the Nazis to trial and sentence them, and everyone would be satisfied. Unfortunately, things do not work out that way in this world, particularly in the case of pre-judgment. We now know that plans were laid as early as the spring of 1944 to fit the law to suit the exigencies of the case. In a letter to the *New English Weekly* (February 3, 1949), Montgomery Beligion wrote:

In all likelihood many of your readers are unaware that it was only as recently as April, 1944, that the British *Manual of Military Law*, at Paragraph 443 of Chapter XIV, was quietly modified and the statement which had survived till then, that the perpetrator of a war crime could not be punished by the enemy if he had acted in obedience to "superior orders" was removed. The corresponding American Basic Field Manual, *Rules of Land Warfare*, was changed in the same sense as late as November, 1944. That is to say, at the time of the commission of most of the war crimes and acts alleged to have been war crimes . . . not only was it illegal for anyone under German law to demur to the orders of a superior, but the validity of "the defense of superior orders" was still recognized in the military law of Britain and the United States.

A mighty problem is involved in this matter, and he would be a very

sanguine person who imagines that in another war, no matter what atrocities may be committed, the victor will be tried either for aggression or any of the other war crimes dealt with by the Nuremberg court.

General Taylor says: "The trials themselves are a unique and arresting episode with profound philosophical and moral implications, and they will figure prominently in the history of modern times." This is true, but how few will be interested in what philosophers and moralists may think of them! Still, the fact remains that in breaking the precedents, a new problem in what is called international law has been transcribed on paper. And there it will remain, no matter what the decision be in the present controversies. Officers and men of the army, navy and air force, will ponder in future conflicts the morality of an order of a superior officer. Will they? Not for a single moment! But what a farce this extraordinary precedent is guilty of playing. Surely the learned judges of the Allies were without a sense of humor, and notwithstanding the tragic business they took in hand, they forgot the war manuals of the powers and the practices sanctioned by them.

There is one exceedingly amusing passage in Document XLII of Justice Jackson's report. The conference was searching for a definition of aggression when the Russian delegate, General Nikitchenko, stated:

Sometimes treaties change. When one was signed it had one significance and may in the course of time change that significance and acquire a new significance. For that reason I thought it best not to refer to old history and possibly have a more modern statement by the United Nations organization.

"Old history" is good! But it is remarkable that no one was amused at the caution of the Russian general.

All precedents were swept aside. The authentic records of the atrocities of past wars were ignored and, filled with moral indignation, British, French, and American lawyers, without a tremor of conscience, took their seats on the bench beside Vishinsky, the representative of Stalin. Stalin, whose career of persistent crime, political and economic, was recorded in many volumes; whose attempts to extirpate his opponents were checked only because his subjects outnumbered his executioners; whose concentration camps, stretching from Murmansk to Vladivostok, were then reeking with every offense against human dignity! This was the person represented at the trials of war criminals and shrived of sin by his international associates. Why? He was then an ally. He was in at the death, when the western democracies gained the victory. All was forgiven at Potsdam.

His crimes in Finland, the Baltic States, Bessarabia, Hungary, and Poland were forgotten. The former ally of Hitler and Mussolini was absolved without penance. The justices did not even suggest that he should turn over a new leaf.

Russia's Fitness to Judge War Crimes

IN THE SPRING OF 1945, a few months before the war ended, the Swiss legation at Budapest sent to its government a report on the Russian invasion of Hungary. A summary of it is to be found in "Hungary, the Unwilling Satellite," by the American Ambassador, John Flournoy Montgomery (New York, Devin-Adair, 1947). Some of the statements read very much like charges made against the Nazis at the trials. Here are a few:

. . . Russian troops looted the city freely. They entered practically every habitation, the very poorest as well as the richest. They took away everything they wanted, especially food, clothing and valuables. . . .

Bank safes were emptied without exception—even the British and American safes—and whatever was found was taken. . . .

Rape is causing the greatest suffering to the Hungarian population. Violations are so general—from the age of 10 up to 70 years—that few women in Hungary escape this fate. Acts of incredible brutality have been registered. Many women prefer to commit suicide in order to escape monstrosities. . . .

Near the town of Godollo, a large concentration camp has been erected where some forty thousand internees are being held and from where they are being deported for an unknown destination toward the Orient (*op. cit.*, Appendix III, pp. 239–41). . . .

Perhaps the British and American representatives on the bench at Nuremberg did not know, when the trials began, what had been done by the Russians. Still, it is not stretching a point too far to ask why the Russian representative was not challenged as to his being a fit and proper person to perform such duties as passing judgment upon the accused in the dock. It is very strange that the reading public of the world, with the exception of the Russians, should, even before the war began, have in its possession sworn evidence from those who had suffered under Stalin's rule, which proved that no one connected with his government was qualified to judge any Nazi criminal.

As early as 1943, Owen J. C. Norem, Envoy Extraordinary and Minister Plenipotentiary of the United States to Lithuania, published his book called "Timeless Lithuania" (Chicago, Amerlith Press). Senator James E. Murray of Montana wrote a foreword to it. The author describes the reign of terror in June, 1941, and among other shocking revelations we find the following:

In taking stock, the Lithuanians discovered that over 60,000 persons had been deported to Siberia. In addition, over 50,000 people had fled to Germany (this number included those who had chosen to be evacuated as Germans). Most ominous was the estimate that some 100,000 persons were killed or missing. Great had been the Russian blow to the small and unoffending Republic of Lithuania. Since this estimate was made, the figure of persons deported to Siberia, or dispersed, is calculated at nearly 200,000 men, women and children. At the terrible Solovetsky prison near Archangel from whence, it is said, no one ever returns alive, are the former Prime Minister Merkys, former Foreign Minister Urbsys, and others.

Churches had been stripped of their precious ornaments and sacred vessels. Museums had been looted. Libraries had been burned. The industrial and economic life of the stricken nation had been ruined (*op. cit.*, p. 188). . . .

Before the war against the Nazis came to an end, several books were published by American officials, and unofficial observers on the spot, about their experiences in territories occupied by the Russians. Some of these works were hard to obtain because the revelations in them were not favorable to the American administration. It would have been difficult to "baby Stalin along" if the voting public had had an opportunity to read the blood-stained record of an ally. Moreover, it was rather awkward for those lawyers in America who were making plans for bringing the Nazi leaders to trial. Some of the works published about that time were scarcely noticed by the reviewers, and publishers complained of the strict silence maintained by booksellers and literary critics. Nevertheless, one would think that men deputed to sit at Nuremberg would explore for evidence every avenue left open to them which would convince them that the rectitude of the court was beyond criticism. This was not done. Why? Because Russia was an ally.

Small wonder we now find the proceedings of the court questioned by many people who were just as morally shocked at Nazi misdeeds as Justice Jackson himself! Other telltale books have been published since the eastern ally became obstreperous and Vishinsky upset the sessions of the United Nations.

The story told in "I Saw Poland Betrayed," by the American Ambassador, Arthur Bliss Lane (Indianapolis and New York, Bobbs-Merrill, 1948), is not only one of downright perfidy on the part of Churchill and Roosevelt; it is a revelation of Russian brutality carried to excess with their tacit consent, for they knew what was taking place and did not speak in public one word of protest. Lane reports anti-Jewish demonstrations, Jews beaten, synagogues burnt, wholesale looting, and the tragic fate of

deportees. He does not spare the Nazis, and describes the discovery of much evidence sent to the Nuremberg trials of their iniquities during the occupation.

Definition of Genocide

IN ONE WORK, "Victors' Justice," by Montgomery Beligion (Hinsdale, Ill., Henry Regnery Co., 1949), we find a calmly reasoned examination of the proceedings at Nuremberg. It corroborates much of the information presented in several of the pamphlets that have appeared recently. He examines each of the six charges against the Nazis, and his analysis goes far to prove that the spirit of vengeance—not justice—was dominant in the minds of the court.

Montgomery Beligion mentions "genocide"—the new term coined by Dr. Raphael Lemkin. The latter tells us that the word is a hybrid

consisting of the Greek *genos* meaning race, nation or tribe; and the Latin suffix *cide* meaning killing. The term includes not only the deprivation of life but also the prevention of life by abortion, sterilization, and also devices considerably endangering life and health by artificial infections, working to death in special camps, deliberate separation of families for depopulation purposes and so forth. (*Am. Jour. Int. Law*, vol. 41, Jan., 1947, p. 145).

We are informed in this same article that at the Nuremberg trial, Sir Hartley Shawcross and Sir David Maxwell Fyfe for the British prosecution, and Champetier de Ribes and Dubost for the French prosecution, "elaborated at length and with great eloquence on the crime of genocide in the course of the proceedings." The concept of genocide was also used later by the Chief of Counsel in subsequent Nuremberg proceedings, General Taylor, in the case against the Nazi doctors who experimented on human beings in concentration camps.

Presumably, it is a very comfortable feeling to imagine that there is no past and that the future begins with the present. Having no past, one may decide there is nothing to confess, and that no prick of conscience will disturb the equanimity of the newborn lawyer. The trouble with such a person is that the future has a very awkward way of reminding us that our past will not down. It pops up every now and then to haunt us and expose our stupidities. Therefore, it is necessary for us to understand that, no matter how hard we try, we cannot "black out" the past.

British lawyers have been famous as sticklers for precedent, and when the English law was codified in 1907 by Lord Halsbury, a former Lord Chancellor of England, Montague Emanuel, one of his assistants, told this writer that an important fact was borne in upon those at work upon

the job: namely, that English law was based upon a firm foundation laid in the past. No less an authority than Maitland himself had confirmed that opinion.

Thus, it behooves us now to look into the history of this newly coined term, "genocide," and learn what we can of the attempts that have been made by governments, in peace and in war, to exterminate races, nations, and tribes.

It may be asked, "Why rake up old woes?" The answer is: Because the history of man indicates clearly that the old woes pursue him doggedly century after century. At only comparatively short intervals has he risen superior to the brute in him. Nevertheless, the catalogue of his crimes against his kind point to his committing them again in the future. It would be stupid beyond measure to imagine that he will reform so long as our political and economic systems foster his brutish instincts.

Movements organized to put an end to his proclivities have had little success. International law has had a sorry time of it since Grotius wrote his great book, "The Law of War and Peace," and Montesquieu published "The Spirit of the Laws." Arbitration committees, Hague Courts, international conventions, and sundry other such efforts did nothing to prevent the two world wars of this century. The League of Nations came to a disastrous end, and an expensive building at Geneva is all that marks its effort to establish a reign of peace. The pious intentions of political jurists of our time have had little or no pacific effect upon warmongers. President Taft's idea of arbitration treaties, before World War I, fell with a thud, and after that horror, the Kellogg-Briand Pact did nothing to disband armies or scrap dreadnoughts. The laudable notion of Salmon Levinson to call the governments together for the purpose of agreeing to outlaw war gave some hope to many who realized that World War I had proved how utterly futile was the absurdity of waging war to end war. Stubbornly, most of the politicians still believed the best way to end war was to have another—on a greater scale. The long records compiled and analyzed by Vico, Freeman, Acton, Fustel de Coulanges, Spengler, and Toynbee taught the politicians nothing because they were trained to look at anything but a patent fact. Secular humanitarians used the same old vapid tags that merited the scorn of Jonathan Swift and Voltaire. Highfalutin phrases were eloquently discoursed by reputed saviors of humanity, while they planned genocidal operations. Indeed, there never was a time when so many sedulously worshipped at the shrine of the great god BLITHER.

Some Historical Instances of Mass Murder

THE HISTORY of attempted genocide is so old that one wonders why the legal wizards of our generation did not stick to the word "murder" which served to cover the official purpose and action for long centuries. In the laws we find the commandment: "Thou shalt not kill." This is given without any reservation whatever, and Moses, who was an excellent judge of conduct, told his people what would happen to them if they disobeyed the commandments. Everything included in the term "genocide" is to be found in the curse chapters of Deuteronomy. We are told Moses legislated for "a stiff-necked people."

In the last chapters of that book we find a whole catalogue of punishments to be visited upon those who did not obey. A fire was to be kindled, in the anger of God, which would burn unto the lowest hell; mischiefs were to be heaped upon the Israelites; and the Lord's arrows were to be spent upon them. They were told they would be burned with hunger and devoured with burning heat; they would suffer from the teeth of beasts and from the poison of serpents of the dust: "The sword without, and terror within, shall destroy both the young man and the virgin, the suckling also with the man of gray hairs" (32: 25) and that they should be scattered "among all people, from the one end of the earth even unto the other. . . ."

There is not room to deal fully with all the terrible things that would happen to the people if they transgressed the laws, but it must be admitted that Moses was a past master at inventing genocidal punishments for refractory people.

It is remarkable how our political lawyers missed the torture plans elaborated in Deuteronomy. Vishinsky might be excused, for the Bible is not in the list of Stalin's Great Books course. Still, there is no excuse for Justice Jackson, Lord Justice Lawrence, and particularly Sir Hartley Shawcross, for they are subjects of Christian, peace-loving nations. Of course, it may be argued that circumstances always alter political cases, and that there is no analogy whatever to be found between the Israelites and the Nazis. Quite true! The similarity is in the character of the punishments to be inflicted upon human creatures. Let us say, it goes no further than that, but we must grant that the precedent established by Moses has been followed with more or less severity ever since his day.

We need not go back to classical times to ascertain the truth of this, for the Christian Era itself abounds in evidence of the practice of genocide. The Inquisition and the Massacre of St. Bartholomew afford examples of what was done when the population of Europe was infinitely

less than it is now. During the days of witch-hunting, horrors were perpetrated which were just as inhuman as those enacted during the war. What happened to the Inca and our aborigines is scarcely worth mentioning because they were not of European stock. Pagan and heathen backward races had to be taught the Christian tenets of imperialism, but there is no record of one lot inviting a superior power to visit its territory for the purpose of making a practical demonstration of genocide in wholesale doses. Slavery, ancient and modern, was and is an institution of superior people.

It may not be polite to refer to the wars against the Boers, but it would certainly illuminate the dark places in many legal minds dealing with genocide to read what Michael Davitt and Gen. Christiaan De Wet have to say about aggression and concentration camps. In De Wet's book, "Three Years' War" (New York, Scribner's, 1902), there are more than a hundred pages that deal with the correspondence and the negotiations between the London government and the Boers. For anyone interested in this new term, it would be worth while spending an hour or two on what is described therein. The documents are authentic. "But why go back to 'old stuff,' that happened so long ago?" the war lawyer may ask. "And who were the Boers anyway? Just a lot of farmers in South Africa who held land that contained gold and diamonds." Such are the comments that have been made by members of the peace-loving nations when they have been reminded that "no Christian annals are so sanguinary as ours," as Lord Acton put it.

Michael Davitt's book, "The Boer Fight for Freedom" (New York and London, Funk and Wagnalls Co., 1902), was acclaimed as the only work that got approximately near the truth of what took place in South Africa during the last Boer War. Reviewers said that the moderation expressed in telling the most terrible of all stories of aggression was one of the striking features of the work. Michael Davitt was a hater of British rule, but he was so fair-minded that some of his bitterest enemies admired him for his courage and honesty.

In the official report to President Kurger, dated Van Rhynsdorp, January, 1902, Gen. Jan Smuts denounced "the awful mutilation of Boer soldiers found on the battlefield," and he protested against the "torturing, imprisoning, and ill treating of women." The conclusion of the report is:

The war has long since degenerated into an enterprise for the extermination of the Boer people. Day by day we learn of atrocities, all of which but form a commentary to the memorable words of the English High Commissioner [Milner] himself that the Afrikanders must be exterminated.

Other examples of the practice of genocide can be found in the East Indian records. It will be sufficient, for the time being, to mention only the wars against the natives of the northern frontier and the massacre at Amritsar. In the American sphere, many books deal with our imperialistic adventures, extending from Cuba to the Philippines, and the evidence produced in them of atrocities perpetrated in the interests of bankers and concessionaires shows that our government was by no means gentle in dealing with the backward races of Central America. The story of Italian imperialists at work in Tripoli contains incidents of genocidal character. The tale of "Red Rubber" told by Edmund Morel is invaluable as a textbook for those interested in human depravity. *The Encyclopaedia Britannica* provides many articles, with bibliographies, giving useful information about the methods employed by European governments in colonizing parts of Africa, and territories in the Far East, including Polynesia. There is no lack of literature on the subject of race extermination as practiced by all the colonizing powers.

The catalogue of iniquities perpetrated by Christian nations since Waterloo is so vast that a thick book would be required to describe half of them. But to go no farther back than the first World War, we find in the literature published after the German surrender at Compiègne many volumes by British, American, Italian, and French authors revealing in detail the deeds of the forces that occupied the Rhineland.

The Occupation of the Rhineland

THE WORKS that deal with this reign of terror are very hard to find now. Many of them have disappeared from the shelves of the libraries, and since the Nuremberg trials terminated, there has been a desire to recover books containing information about the period from the end of World War I to the time of the withdrawal of the troops. Still, much data may be gathered of what took place if the curious have the time and patience for a search in secondhand bookstores.

"The Treachery of France," by C. J. C. Street (London, Philip Allan & Co., 1924) is certainly worth getting, for in it one finds an account of what the African troops, prompted by French officers, did to women.

As to the severity of the blockade of the Rhineland, Dr. Saleeby in *The Weekly Dispatch* (London) of Sept. 10, 1918 said:

While the birth-rate in Germany may be satisfactory on its face, the damage rate—the ineradicable damage rate—is a different and far more serious matter. I should say that for every more or less normal infant-life preserved in Germany under present conditions, there are three or four infants who are condemned to live and grow into damaged human

goods, so to speak. That means that in 1940, there will in all probability be a race of German physical degenerates.

Few took heed of the disturbing rumors of woe contained in letters from British soldiers in that area until the *Daily News* (London) published, on March 8, 1919, the startling information that "the semi-starvation of years is being followed by actual starvation deliberately imposed by the Allies *months after the enemy have surrendered. . .*" (Italics mine)

Five days before the article appeared in the *Daily News*, Winston Churchill said in the House of Commons:

We are enforcing the blockade with rigour, and Germany is very near starvation. All the evidence I have received from officers sent by the War Office all over Germany show: firstly, the great privation which the German people are suffering; and, secondly, the danger of a collapse of the entire structure of German social and national life under the pressure of hunger and malnutrition.

Now one crime does not excuse another, but it is reasonable to expect that the desire for retaliation will show itself at the first opportunity. Christian men have not yet learned to turn the other cheek, and whether they be democrats or totalitarians, Bolsheviks or Italian Fascists, they will nurse a grudge with bitter animosity. It is impossible to legislate against this terrible emotion.

"Do unto others as they have done unto you" is a maxim taken from the law book of the jungle, but no matter how the rules of military manuals make exceptions for brutish incidents arising in war, no commanders of forces have yet succeeded in suppressing the instinct of retaliation. Its prevalence is beyond Christian control.

Who knows what took place in Silesia before and during the time of the plebiscite held after World War I? There are books enough that describe the almost unbelievable outrages inflicted by the Korfanty bands upon the people. René Martel, in "The Eastern Frontiers" (London, 1930), says:

. . . An appalling reign of terror was in existence. Murders increased in numbers; the Germans were tortured, mutilated, put to death and the corpses defiled; villages and châteaux were pillaged, burnt or blown up. . . .

Sir Robert Donald, in "The Polish Corridor and the Consequences" (London, 1929), states:

But to inflict upon her (Silesia) the tragic force of the plebiscite with all its accompaniments of deceit, broken pledges, massacres, cruel outrages, carried out in an atmosphere of political putrescence, was to add insult to injury, moral torture to robbery under arms.

The French protest of 1924 against the "wave of terror sweeping Poland" was signed by Paul Painlevé, Edouard Herriot, and many other well-known politicians and literary men. In December, 1931, *The Manchester Guardian* published dispatches from its Warsaw correspondent stating:

The Ukraine under Polish rule is an inferno—White Russia is an even more hellish inferno. The purpose of Polish policy is the disappearance of the national minorities, both on paper and in reality!

It seems a bit late in the day to try to stop this business by coining a new word for it.

Someone said, after World War I, that it would take at least two generations to wipe from the memory of Germans what Black troops did to their women in the occupied territory. The American Rhineland Commissioner, Pierrepont B. Noyes, reported to our government as follows:

I believe that in the Rhineland a hostile military occupation is seen at its best; and at its best, I can say from personal observation, it is brutal; it is provocative; it is continuing war.

. . . During the fourteen months in which I worked as a member of the Rhineland Commission, I became daily more shocked that any responsible man should be willing to curse the world with such a hatred and war breeding institution as this ("While Europe Waits for Peace," New York, Macmillan, 1921, pp. 48-9). . . .

The reason why it is necessary to look into the past for information on atrocities is that we should know now what men are capable of doing. The work to which Dr. Raphael Lemkin has turned his hand will suffer the fate of every other movement mentioned above unless the application of his remedy applies to all the powers. If it be aimed solely at Germans, it will get no farther than the paper upon which it is written. Who is so simple as to imagine that it will be enforced against a victorious nation?

Moreover, genocide is not a practice that appears only in war, and it should be emphasized that it is not one that is aimed at any particular people. The political system itself, irrespective of the label under which it thrives, is responsible for the daily practice of genocide. The fiscal systems which reduce a quarter of the population of a State to exist upon a mere subsistence level are to blame for atrocities that endure generation after generation. The spasms of war aggravate the conditions of peace and load heavier burdens of debt upon the producers, leaving them more hopeless of escaping from their economic hell than they were before the strife.

I do hope that Dr. Lemkin will take the opportunity to read the recent report of J. Edgar Hoover of the Federal Bureau of Investigation. For 1948 a serious crime occurred every 18.7 seconds. Each day there was an average of 36 persons feloniously slain, 255 were victims of aggravated assault or rape, and 150 robberies were committed. All records were broken last year when 759,698 individuals were arrested and fingerprinted. This shocking account of crime in our midst surely indicates that some of the energy that our government expends in saving democracy in Europe and Asia might be spent in bringing about better conditions at home.

It is incumbent upon us to understand and recognize that the great difficulty reformers encounter in dealing with these subjects is the utter ignorance of 95 per cent of the people. They know little or nothing but the propaganda yarns disseminated by the governments. During a war, the people of each nation are inflamed from morning till night by every means that will keep them to the sticking point. They have no time to reflect, and when the war is over and the honest historians set to work, the people are so weary of it all and so glad to get back to their ordinary way of existence, that their interest cannot be roused to study the causes of their trouble. Very few, indeed, even of the most intelligent section of the community, ever learn the truth of these horrible affairs. Hence, few are prepared when the next war looms, to give particular attention to its cause, and thus they become easy prey for the propagandist. A generation seems too short—even for the memory of those who know—to develop an honest skepticism to shield them from the devices of the politicians.

New York

Internal Colonization in Argentina

THE PERÓN GOVERNMENT of Argentina announced in May, 1949, that 80,000 hectares (about 200,000 acres) of land would be expropriated in the Province of Buenos Aires through the Institute of Colonization. The land would be used, it was said, for the establishment of agricultural and livestock-raising colonies. Evidently the landowners are to be compensated. In the project, 30,000,000 pesos will be invested, the announcement said. The Perón Government has been talking for several years of initiating a land reform program. It remains to be seen if it really intends going ahead with this project.

W. L.

Land Reform in Japan

GENERAL DOUGLAS MAC ARTHUR, chief of the Allied Occupation Forces in Japan, has succeeded in bringing about an agrarian land reform in that country which has now been completed. Before 1945, Japan was a land-lord-ridden country. Half its farms were tenant-operated. Tenancy has now been reduced to 13 per cent. Land holdings have now been broken up into small holdings, which will permit Japan, long noted for its intensive agriculture, to pursue the path to democratic freedom and progressive civilization on which Denmark has been the trail-blazer. The wealthiest villager in Nakago, who had 97 acres before the reform, now has six. It is the same everywhere; with only a few exceptions, carefully delineated, nobody can own more than six acres or rent out more than three.

It is to be hoped that the smallholders of Japan will now tie the sack to the political parties that would exploit them and develop a political party of their own, so as to forge ahead as the Danish housemen have done. The land reform is a good beginning, but it is only a beginning. What is needed now is tax reform (for which General Mac Arthur, incidentally, has also been pressing), tariff reform, monopoly regulation, the development of co-operatives, an agricultural extension program dominated by the smallholder and a host of similar measures designed to insure progress by safeguarding the freedom of the individual and equality of opportunity. Most important of all, the benefits of the land reform must be protected for all time by a rent socialization program, which would permit the whole nation to enjoy the benefits of the most advantageous sites while permitting the individual to enjoy the full benefits of his improvements in and on the land.

There is much to be done. But for the measure of progress that has been achieved, General Mac Arthur, and the supporters of the agrarian reform program in the United States Department of State, deserve the congratulations of all advocates of ethical democracy.

W. L.

Expansion of National Fund Land in Palestine

A SPOKESMAN for the Jewish National Fund organization, according to a Transjordan source, said it had been decided to purchase 2,500,000 feddan of land in Palestine during 1949. The spokesman said the area would be equal to the total purchased in the last fifty years. This should increase the importance of the Palestine experiment for students of land tenure.

Economic Trends in the Middle East, II

By I. GUELFAT

IN THE COUNTRIES of the Middle East, the so-called middle classes (the *petite bourgeoisie*) are few in number and weak in influence or they are practically non-existent. These are the classes, it should be noted, which played a paramount rôle in the accumulation of the anonymous capital that has been used for the industrialization of most European countries. On this account, foreign capital penetrated comparatively easily into the Middle Eastern countries. On the other hand, it also resulted in the growing function of governmental intervention in and direction of the economy of these countries as a means of halting the penetration of foreign capital in some branches of trade and industry, or of diminishing its influence in them.

The countries of the Middle East have not yet developed from agrarian into agrarian-industrial and particularly into industrial-agrarian countries; indeed, they are far from these phases. Yet there have nevertheless been attempts to industrialize this region, particularly in Egypt. Improbable as it may seem, these efforts have a history that goes back nearly 150 years.

This trend of development on a small scale continued in Egypt until the outbreak of the first world war. The conflict produced a powerful stimulus for industrialization of the colonial and semi-colonial countries. The complications in international relations, full employment of manpower and sources of production, absence of competition by the industrial countries involved in war, the prospect of accumulating large increases, etc., all helped to quicken the pace and extent of the industrialization in these countries.

The second world war only contributed to the acceleration of this process, particularly in Egypt and Palestine. At the end of 1946, the Egyptian Ministry of Finance published the results of the two industrial censuses. In 1942 there were 103,290 enterprises employing 988,200 workers. In 1945 the number of industrial undertakings rose to 129,931, which employed 1,361,936 workers. These figures include workshops with one or two hired laborers and also those in which only the owner was working. The number of enterprises in which there was no hired labor at all reached 50 per cent and was 40 per cent of the total number of industrial enterprises in 1945. From the results of both these registrations

it follows that on the average there were 2.8 workers to each establishment; if we exclude, however, enterprises with no salaried workers at all, we get an average figure of 4 to 4.5 workers per enterprise.

If we compare from this point of view (average number of workers) Egypt with Palestine, we can see that already in 1928 according to governmental data every Arab industrial enterprise and workshop in Palestine had an average of just over four workers. In 1937, the Jewish Agency for Palestine published the results of a statistical census which indicated that the average number of workers in Jewish industrial enterprises was 5.3. Here it must be remembered that in that period there were no enterprises in Palestine which employed a thousand or more workers, while in Egypt there were companies like "Filatures Nationales" and others which employed tens of thousands of workers, a fact which considerably increases the average number of workers in each single enterprise.

Of particular interest are the Egyptian data regarding wages and the conditions of work. The best wages are paid by the foreign electrical companies and waterworks, 57 piasters (7s.), and the transport companies, 33 piasters (6s. 3d.) for a working day of about 9 hours. The lowest wages, 13.5 piasters (2s.) are earned in the light industries and in some handicrafts, with a working day of 9 hours and more. The data, of course, are from the war period and therefore include a bonus towards the high cost of living and other premiums. During the same period the earning capacity of Arab workers in Palestine, on the average, was 7 shillings, *i.e.* 75 per cent higher than in Egypt. (Wages in the Jewish part of Palestine reached an average of 18 shillings a day).

The latest official reports on Egyptian industries confirm the well known facts: on the one hand, a small group of very large industrial undertakings with thousands of hired workers, on the other small craftsmen and light industry, both primitive and backward. Bearing in mind this characteristic "polarisation" we cannot get away from the fact that on both poles of the "Egyptian axis" there are hard conditions of work and low wages.

The most backward among the countries of the Arab Middle East (excluding Saudia) from the industrial point of view is Iraq, apart from the oil industry. The governments of Iraq, following each other in quick succession, did not pay sufficient attention to the problem of developing the industry of their country. Imitating the Turkish law of 1927, the Iraqi government decreed in 1929 that all new industrial ventures would be guaranteed considerable privileges as regards taxes and customs. The next step was the creation of the Bank of Agriculture and Industry. In 1937 a law was introduced making obligatory the same uniform for school

children with a view to supporting the local textile industry.

Despite all these measures the Iraqi industry is still in its initial state of development. Only very few factories have more or less modern equipment: for instance, the factory for cotton cleaning, two cloth factories and some knitting works. The whole of the textile industry in Iraq produced 1,500,000 square meters of cloth, *i.e.* only one-tenth the output of Syria. The main customer is the government which buys the goods for the army, the police forces, and the schools. Private customers use imported goods (until the second world war Japanese and Indian products) with which the local textile industry cannot compete. There are a few factories producing bricks and soap as well as some tanneries. The tobacco industry is represented by a dozen or so factories situated mainly in Baghdad. Some ten years ago a cement factory was planned, to which the principle of "mixed enterprise" was to be applied, *i.e.* co-operation of government and private capital. The work started in 1940. During the war, projects for large papermills and butter producing plants were elaborated. However all this is only a beginning.

Governmental intervention in the economic life of the country is limited in Iraq. State intervention favoring the building-up of a national industry and the modernization of equipment is rather feeble. State intervention in the economic life, which in some European countries led to the formation of vast enterprises, and, in fact, to monopolization (sometimes deplorable) of important industrial branches and resulted in the development of trusts and cartels, was the consequence of pressure by the working classes and their organizations and also as a result of the frequent crises. This kind of intervention in the colonial countries, where the process of change-over from feudalism to capitalism is still going on, was and is of quite a different nature and happens under entirely different conditions. In these countries, quite apart from the inner development, the influence of contact with leading industrial nations makes itself felt and hence there is the danger of economic pressure and capture. A natural result of these particular conditions is the effort to modernize as quickly as possible the economic life of these colonial and semi-colonial countries.

In view of the fact that the private industrial capital there is still weak and therefore incapable of fulfilling the tasks imposed upon it by the prevailing conditions, the government has to do it. This happened in Prussia under Frederick the Great, and in Russia during the reign of Peter the Great; the position in Turkey is similar, and to a certain extent also in Iran. It would be natural for Iraq to apply a similar economic policy. However, we have seen that economic intervention there by the State is

now very mild. On the other hand there does not exist yet the so-called class of capitalistic bourgeoisie who would be able to take into their hands the industrialization of the country at a more or less accelerated pace. The passivity, or rather the insufficient activity of the government, with regard to the industrialization of the country can be explained by the fact that Iraq is situated far from the Mediterranean coast, and by the predominance of feudal landowners and the heads of the Bedouin tribes who are dissatisfied with the "new influence."

We can therefore say that the State intervention in the economic life of the country was confined to a few necessary measures regulating the socio-economic relations between the various groups of the population, but that it remained without effect on the modernization of the economy, even when appropriate laws and decrees were not put into effect. The socio-economic legislation of Iraq did not lead to any changes in its economic or social structure. It was mainly directed against the national minorities and against the working masses. In the light of the feudal order, which is stronger in Iraq than in any other countries of the Middle East (Saudia excepted) and with the beginning capitalistic development, the population is very hard up.

In a book published ten years ago, the English author, Ernest Main, an expert on the question of the Middle East, gives the following picture of the conditions of the populace in Iraq. The fellahin and coolies live on one penny a day. Rent for a tent of matting is 1 shilling to 1s. 6d. per month. For their festivals they buy the cheapest possible clothes. Two millions live in these conditions and one can imagine the purchasing power of the population. Officials and employes do not earn more than 5 pounds a month. Although Iraq joined the international agreement for the improvement of labor conditions and some social legislation affecting the workers was enacted, the minimum working day in Iraq is ten hours. With its small population (3 to 3.5 millions to a total area of 453,500 square kilometers), Iraq experiences shortage of manpower even at her present low phase of economic development. It presents an interesting example that wages do not always depend on the laws of "demand and supply" on the labor market. They also depend on the degree of the cultural development of the workers, on the socio-economic conditions, on the pressure of ruling classes, on the government apparatus, and on foreign concessions which form not only a "government in government" but a "government over a government."

We find more favorable conditions from the point of view of industrialization and socio-economic development in the Levant-Syria and the

Lebanon. Industry and craftsmanship were here second in importance to agriculture. According to the research done by the well known Jewish sociologist, Dr. Arthur Rupin, already during the period 1914-1918, 10 to 15 per cent of the population were employed in the industries and crafts of Syria and the Lebanon. This is a high percentage for an Eastern agrarian country. In Turkey the figure for 1927 was 5.6 per cent; in Poland in 1921, 10 per cent, while in 1931 it reached 19 per cent, in Egypt 10 per cent and among the Arabs in Palestine 12 per cent of the population. Dr. Rupin's findings are rather doubtful, because other statistical data for the period 1914-1918 show a higher percentage.

Towards the beginning of this century the population of Syria and the Lebanon reached 2,500,000. In the countries of the Middle East, wage earners are 30 per cent of the population—in this particular case 750,000. According to statistics in hand, the number employed in industry and crafts is 25 to 35 per cent. We find a similar proportion in some European countries (30.7 per cent in Italy in 1931, 31 per cent in Sweden in 1930, 33 per cent in France in 1926, 24 per cent in Hungary in 1930). Therefore we come to the conclusion that at the beginning and during the first world war industry and craftsmanship played an important part in the economies of Syria and Palestine.

True, we mean here mainly home industries and handicrafts, *i.e.* enterprises employing only a few workers each, because enterprises with tens of thousands of workers are rare. From the qualitative point of view these enterprises are not primitive anymore. Some qualities of Syrian textiles, goods, the metal products of Damascus, etc., enjoy a good reputation outside the Middle East as well. The silk and textile factories and the workshops of Lebanon are famous for the quality of their products. The manufacture of metal goods, soap and leather must also be mentioned.

The natural conditions in Syria for industrial development are not too favorable, but at the same time one cannot say that they are unfavorable. Certain raw materials are available locally. Vegetables and fruits form the basis of development of the canning industry. Syria produces enough cotton for the development of a local textile industry. There is also no shortage of wool: the flocks of sheep number 3,500,000 head (8 to 10 thousand tons of wool a year). In case of necessity, the cultivation of cotton can be increased threefold or even fourfold, so that the textile industry is capable of obtaining a strong raw material base. Local raw material can be used by the cement, tobacco and leather industries, as well as, to a considerable extent, by the soap factories and oil-producing plants.

Syria does not possess raw material for metallurgy. There are a few deposits of iron ore to be found in the Lebanese mountains, but these are poor and the percentage of metal in them is very low. However, the absence of local ores cannot be considered an insurmountable obstacle in the way of development of the local metallurgical and metal industries, because Syria is situated on the coasts of the Mediterranean in the centre of the world's crossroads. In this respect, Lebanon is still more favorably situated, nearly the whole of it being a coastal area, with a magnificent harbor at Beyrouth. The inner districts of Syria are more difficult to develop from the viewpoint of heavy industry, because they are far from the sea and divided off by the Levantine and anti-Levantine chains of mountains.

Of considerable importance for industrial development is the question of energy fuel. Though Syria and Lebanon are poor in coal which was the main fuel basis and source of energy for the industrial development of the nineteenth century, the situation has radically changed to the better since oil and waterpower began to replace coal as a source of generating power. There is plenty of oil in the neighborhood of Syria—in Iraq—which runs through the pipelines to Tripoli and Haifa. Furthermore, recent geological explorations have shown that in Syria itself there is oil to be found in the northeast and west. There are also great possibilities in Syria and Lebanon of exploiting electric energy. The swift streams and rivers flowing down the steep sides of the mountains provide possibilities of cheap electric power in large quantities.

However, the influence of the political and economic conditions on the industrial development of the countries of the Levant was stronger than the influence of the natural conditions. In the Middle Ages, Syria and Lebanon were considered to be countries of high cultural standards, due to the fact that they were at a center through which all traffic went from Europe to Asia, *i.e.* to India, Persia, and China. In their industrial development these countries were then more advanced than certain European countries. When European industrialization started to go rapidly ahead during the nineteenth century, the industrial importance of the Levant diminished as the European powers forced Turkey to open the frontiers of all her possessions for European goods.

After the downfall of the Ottoman Empire, customs-frontiers were introduced between the areas that composed it, save for Palestine, with which a pact guaranteeing duty-free trade was concluded. In this way Palestine became, so to say, part of the inner market for Syrian manufacturers. Under these conditions the old Syrian and Lebanese industries had

to suffer considerably. In their economic policy the authorities let themselves be guided by the feudal landowners who were vitally interested in the biggest possible import of goods at the cheapest price.

The French industries also contributed to the weakening of the Syrian and Lebanese industries to an important extent. France, which held the mandate for the Levant from the end of the first world war until the Nineteen Forties was interested only in those lines which could supply raw material (or at best semi-finished products) for French industry (silk, thread, cotton, etc.) and in securing Syrian and Lebanese markets for its own goods. In 1927, 1931, and 1932 attempts have been made for a minimum emancipation of the Levantine industries by higher tariffs. Measures also were taken with a view to reorganizing existing industrial enterprises, creating and financing new ones, and so on. But all these measures were but palliative and brought no radical changes in the industrial conditions of Syria and Lebanon.

A well-known Beyrouth newspaper once made the following melancholy remark: "As far as industry is concerned, its protection is desirable, but this would be useful if the conditions were unfavorable. In our present economic state we must try to preserve what exists and not look to new ventures. Fortunately, however, we shall not have important industries like in Europe" (*Le Commerce de Levant*, Dec. 31, 1932). However, this prognosis was not fully justified. Foreign competition, and the lowering of prices of agricultural products which led to lower wages, proved to be a favorable factor for the formation of new, comparatively modern, industrial undertakings. In Syria and Lebanon as well as in Egypt the building up of new industrial enterprises meant the ruin of the fellahin in the villages and of the artisans in the towns.

In this connection it is interesting to note that the contradictory and paradoxical interplay of circumstances which favored the creation and some development of up-to-date industries in Syrian and Lebanon. Unemployment and starvation (or semi-starvation) created conditions of constant social tension in Syria and Lebanon, and therefore the French authorities were in favor of the formation of new economic enterprises which could offer work to at least part of those who needed it and thus alleviate the acuteness and stringency of the social conditions. In addition the lowering of the wages and income of the population led to the use and purchase of cheap goods, mainly of Japanese origin, with which France was not able to compete. Therefore, the French mandatory power ceased to oppose the development of local industries. New industrial enterprises which were at first concentrated in the Lebanon begin to

flourish in Syria too during 1933-34, particularly in the suburbs of Damascus. In Damascus and Aleppo a large factory of preserves, two breweries, a textile factory, papermills, glass, sugar, and nail factories, a rice-cleaning and butter-production plant, etc., were erected. Statistics for 1937 reveal that the "new" undertakings were employing about 34,000 men, women and children, the corresponding figure for 1931 being approximately 5,800.

Generally speaking the industrial development of Syria and Lebanon is a "dualistic" process: the "traditional" industry suffers from the competition of the new, modern industry. It must also be borne in mind that the natural outlet for the Syrian and Lebanese industries, *i.e.* Iraq, Egypt and Turkey, was substantially narrowed due to the introduction of customs-frontiers. Radical changes have taken place in the local market, too. The consumer began showing a preference for European goods or for goods of European style, which, while furthering foreign imports, also contributed to the expansion of a "new" local industry.

However, the development of the new industries does not yet compensate for the losses connected with the disintegration of older ones and with the progressive impoverishment of the fellahin. Unemployment (the war period excepted) is a chronic feature of the economic life of Syria and Lebanon, and it is therefore not surprising that during the last twenty-five years (until the second world war) wages have scarcely gone up, and in some cases they have even gone down in their nominal and practical aspects. During the period 1913-37, the cost of the so-called "food basket" rose by 73 per cent while wages fell by 20 per cent. In 1913, 22½ days' work were sufficient to cover the cost of living of a worker's family; in 1937, 48 days were required, so that one can say that real wages diminished by 50 per cent.

Conclusion

THE COUNTRIES of the Middle East are confronted with two problems the solution of which can and will lead them to a quickened socio-economic and cultural development: (1) complete abolition of the feudal relationships, coupled with an agrarian reform; (2) industrialization. The solution of these problems depends to a considerable degree on the character and direction of the activities of the new international, political and socio-economic organizations, such as the United Nations and its subsidiary organs. This solution also depends largely on the approach of the leading powers to the inner social and economic relations and conditions in the countries of the Middle East: instead of favoring the feudal elements, the great powers ought to display understanding and sincere sympathy and

extend help and assistance to the progressive elements of these countries. The feudal and semi-feudal landownership occupies one-third of the whole territory of Palestine, and one-half in Syria, Iraq and Egypt. An Arab peasant family in Palestine and Syria lives on 30 pounds a year, in Egypt on 10 pounds.

What is required is the development of various branches of co-operation, introduction of compulsory schooling, development of health institutions, etc. Facilities for Jewish immigration into Palestine, which is a favorable factor with regard to the development of both Jewish and Arab sectors of the country, will no doubt exercise a most favorable influence on the development of the neighboring countries.

Tel Aviv School of Law and Economics

Progress Toward Land Reform in India

IT IS A PLEASURE to report that in India's United Provinces the movement for the abolition of large landed estates is moving ahead. After being placed before the executive of the Provincial Congress Party, the Zamindari Abolition Bill will be published so that public opinion can be mobilized behind it. Later it will be introduced in the Provincial Legislature.

In Bihar, during discussion of the State Management of Estates and Tenure Bill, an effort was made to exclude from it smaller landholdings with an annual income of less than 5,000 rupees. Krishna Ballabh Sahay, Provincial Revenue Minister, rejected the amendment. It would be beneficial to petty landowners to be brought under State management, he maintained. The Revenue Minister moved an amendment, however, which was adopted, providing for payment of a maximum allowance of 20 per cent of the revenue of estates and tenures taken over under the bill to the proprietors.

In Rajasthan the Government appointed a committee to report on the present system of land tenure in the union, on the social and economic condition of the tenants and on relations between landlords and tenants. A number of boards were set up in the union to deal with cottage industries, uplift of landless peasants (Harijani), labor problems, the rehabilitation of displaced persons and similar subjects.

W. L.

De Gasperi's Land Reform in Italy

THE ITALIAN GOVERNMENT has announced the terms of its proposed agrarian reform. In essence, it is not aimed at the agrarian problem as a whole, but at a specific aspect of it, the latifundia problem. From 20 to 50 per cent of estates ranging in area from 240 acres upward are to be expropriated for compensation in cash and state bonds, to provide 3,120,000 acres for distribution among several hundred thousand landless peasants, along with water, roads and technical assistance.

One interesting feature of the proposal, pointed out by the Rome correspondent of *The Economist* of London in the issue of May 7, 1949, is that a national institute will select the new proprietors and they will receive tenure largely in the form of emphyteusis, under which they would receive absolute titles after paying rent in kind over a certain period of years. It has been suggested that the period be fixed at ninety-nine years. A development of this form of tenure was presented in the land reform that was proposed for Argentina by the celebrated nineteenth century land reformer, Bernardo Rivadavia.

As it stands, this would be an interesting first step toward scientific land reform in Italy. But it would be a first step only. It would deal with the immediate situation in which only the Communist extremists have a complete program, one that would exploit the peasants' land hunger in order to foist upon them the Soviet system of agriculture with its collective farms and its State farms and its total loss of human liberty. A thorough reform would still be needed. But it can only be achieved if the Christian Democrats and democratic Socialists prepare the way for it by a thoroughgoing educational campaign.

The *Economist* correspondent provides some interesting figures, taken from the report of Giuseppe Medici, president of the National Institute of Agrarian Economy, on the need for thoroughgoing reform. There are more than 9,000,000 owners. Eight million own one-sixth of the surface (having an annual taxable value, not at all well assessed, of one-fifth of the total). One-quarter of the soil is owned by 21,000 and 15,000 of these together have much more than one-fifth the total revenue. The 5,000,000 smallest and the 500 largest owners have, respectively, 875,000 and 975,000 hectares. This is, as Signor de Medici says, a "pathological distribution." Only a thoroughgoing reform, based on the socialization of rent and designed to make the land of Italy available to those who will cultivate it and take it away from those who have been living in parasitical leisure from the fruits of absentee ownership, will meet the demands of justice.

W.L.

The Challenge of Australian Tax Policy

Can Professional Economists Continue to Ignore Experience with Land Value Taxation?

By HARRY GUNNISON BROWN

I will not insult my readers by discussing a project [land value taxation] so steeped in infamy.

FRANCIS A. WALKER

I

A SERIES OF ARTICLES published in the last few years in the Australian magazine, *Progress*, by A. R. Hutchinson of Melbourne, focuses attention upon studies made by the Land Values Research Group, of which Mr. Hutchinson is Director of Research. The conclusions to which these studies seem to point are almost precisely those which the very few professional economists seriously interested in the taxation of land values would have expected. Nevertheless, to the majority of American economists, these conclusions and the supporting data may come as a surprise. It might be well if such economists would seek to familiarize themselves with the data. In large part, Mr. Hutchinson's articles have been republished in a thirty-two page booklet entitled "Public Charges upon Land Values"¹ and in two folders entitled, respectively, "Housing the Nation" and "Rating Land Values in Practice—Results in Greater Melbourne." These reports will be dealt with here as a unit.

Hutchinson classifies the Australian states into two groups based on the proportionate burden of taxes on land values. The first group of states consists of Queensland, New South Wales, and Western Australia. In all of these, local real estate taxes are, in general, levied on *land values only*. Land-value taxes in Queensland take for the public, he estimates, more than half (54.5 per cent) of the annual rental value of the land; in New South Wales nearly a third; in Western Australia about a sixth. (In Western Australia, though the rural areas tax mainly land values, the municipalities tax land and improvements equally. Besides local taxes there are, in most of the states, state land taxes; but these taxes Hutchinson considers relatively unimportant because in several of the states they are paid only by lands above a certain value and because they raise so much less revenue than do the local taxes.)

¹ Melbourne (Published for the Land Values Research Group by the Henry George Foundation of Australia), 1945.

The second group of states includes South Australia, Victoria and Tasmania. In these states, local taxes are levied, generally, without distinction between land and improvements, although "some of the districts in South Australia and Victoria rate upon the land value basis," *i.e.*, tax only the unimproved value of the land. In *Tasmania*, none at all do so. All districts in Tasmania and most in South Australia and Victoria "rate upon" (that is, levy taxation upon) what is called "the annual value basis" of land and improvements together.

Between 1929-30 and 1938-39 the area under all crops increased in the first group of states by 21.5 per cent and *decreased* in the second group by 7.6 per cent. The increase was greatest for Queensland (65.8 per cent), next for New South Wales (22 per cent) and last for Western Australia (3.4 per cent). The decrease in the states not taxing land values (locally) as such was least for South Australia (4.9 per cent), greatest for Victoria (10 per cent) and nearly as great for Tasmania (8.4 per cent). During the same period the "area under wheat for grain" increased in Queensland by 117 per cent, in New South Wales by 17 per cent, and decreased in Western Australia by 4.4 per cent, the average increase for the three land-value taxing states being reckoned as 9.9 per cent. For the other group of states the *decrease* averaged 19.2 per cent and ranged from a decrease of 15.5 for South Australia, through 22.8 for Victoria, to 41.5 per cent for Tasmania in which *no* local district or governing area taxes land values as such.

The author considers next, data in regard to the construction of dwellings between 1921 and 1933. He finds the number of new dwellings constructed per one hundred marriages to be 74 in the land-value taxing states and 59.3 in the other (the "annual value rating") states. Each state in the first group had more building than any state in the second group. Tasmania, with *no districts at all* "rating on unimproved land values," had only 29.7 dwellings per hundred marriages during this period, less than half as many as the next lowest state in the group. However, Western Australia, in which land values are taxed less than in either Queensland or New South Wales and which does have, as we have seen, a much poorer record than those states as regards increase of area under crops, appears to have a somewhat better record in dwellings constructed per hundred marriages.

Hutchinson does not state whether this better record in Western Australia is confined to *rural* districts, although the fact that the municipalities of this state do not have a land-value tax system might lead one to expect

such a result. But his figures on the degree of improvement of land do indicate that, as of 1939-1940, the "ratio of value of improvements as percentage of unimproved land value" in the case of country land was higher in Western Australia as compared to this ratio for city land, than in any other Australian state.

Attention is called to the fact that those districts in South Australia and Victoria which do tax land values as such "are the districts which contributed most to their states' better showing than Tasmania." Thus, in Victoria, "although at the 1921 census only 16 per cent of the state population was in the fourteen districts rating land values, these districts accounted for 46 per cent of the total increase in dwellings for the State between the two census years." And "evidence submitted to the Commonwealth Housing Commission in South Australia showed that dwelling construction in the districts rating land values in that state was markedly superior to that in the districts rating Annual Values," *i.e.*, taxing land and improvements at equal rates.

But Hutchinson is not satisfied with this rather general conclusion. He wants to compare cities or districts which are, as nearly as possible, similar in location advantages and type, except that some "rate on land values" and others do not. He suggests that "In many respects these comparisons may be more reliable than interstate comparisons of development since the comparisons are not complicated by different political policies which may exist in the states." Also, he notes that "It would be absurd to compare development of the business centre of the city with a perimeter district." So he selects, first, mixed industrial and residential cities which do and which do not rate on land values, that are in the Greater Melbourne (Victoria) area and about equally distant by rail (five miles) from Flinders Street Station in Melbourne. These cities he classifies as in Zone 4. Next he selects cities further out from the Melbourne business center (seven miles), some rating on land values and some not, and all residential, which he classifies as in Zone 5. And, similarly, he classifies cities still further out (nine and a half miles) and entirely residential, as in Zone 6. Since in Zones 1, 2 and 3 there are no land-value taxing cities, Hutchinson's study is perforce confined to Zones 4, 5 and 6.

Comparing the cities in Zone 4 which tax land values and not improvements with those which tax both, he finds that the number of dwellings constructed per acre available, in 1928-1942, was more than 50 per cent greater in the former than in the latter cities. In Zone 5, he found the

number of dwellings in proportion to the acreage available to be more than two and a third times as great in the unimproved land value taxing cities as in the others. For Zone 6, he found it to be twice as great.

The *value* of *all* building per available acreage was, during the same period, in Zone 4, 40 per cent greater for the land value tax cities; in Zone 5 it was 140 per cent greater, almost two and a half times as great, and in Zone 6 it was 134 per cent greater.

Hutchinson remarks in regard to an alleged shortage of houses in Victoria of 40,000, that "if these ten cities in Melbourne which do not now rate on land values had been rating on that system and showing the same building figures per acre as the districts now rating on land values, instead of the 41,293 houses which were actually built there would have been 88,000 built. In other words there would be 46,700 more houses in these districts alone."

The change in holdings of vacant land in 1939 as compared to 1921 is noticeably different in the unimproved land value taxing cities and the others. In Zone 4, the decline in vacant holdings in the land value tax group was 57 per cent as against 30 per cent for the other group. In Zone 5 it was an 8 per cent decline as compared to a 50 per cent increase. In Zone 6 there was an increase for the only land value tax city on which data could be secured of 74 per cent, as compared to an increase for the only annual value rating city on which data could be obtained of 243 per cent. These increases the author attributes to speculative development of holdings previously agricultural. But the per cent increase was less than a third as great for the land value tax city as for the other. Perhaps it is a fair guess that the policy of taxing more heavily the value of land operated to prevent the waste involved in taking well situated land out of agricultural use years before it would be needed for urban uses. Perhaps one can fairly surmise that less adequate taxation of the value of land operates merely to have most of it held during these years in the form of vacant lots.

Coming back to a comparison of the states, we note that the ratio of the value of improvements to unimproved land values in 1939-40, was 151 per cent in the land value rating states and only 79 per cent in the others, and that it was decidedly highest (198 per cent) in Queensland, where the land value tax is highest. Furthermore, the average total value of improvements, for each land taxpayer in the states rating locally on land values, was fully twice as great as in the other states and was greatest of all in Queensland.

Land value taxation has been sufficient in Queensland so that the sale value of land per head of population actually declined 16.7 per cent between 1901 and 1937. In each of the other two locally land value rating states, it has risen by 11.5 per cent. In South Australia and Victoria, where, in general, districts do not rate on land values, the value of land per head of population has risen by 44 per cent and 77.5 per cent respectively. In Tasmania, however, the corresponding rise is given as only 4.8 per cent.

Another comparison Hutchinson makes is of the average income in the land value taxing states compared with the other states, received by non-property owners having incomes high enough to require them to submit a Commonwealth income tax return. The figures here were only slightly favorable to the land value taxing states, but the author shows that the proportion of persons receiving these higher incomes is considerably greater (40 per cent greater) in the land value taxing states.

Comparing money wages in factories paid in the first group of states with those paid in the second, he finds them larger in the first group, and larger in purchasing power.

Mr. Hutchinson's figures show, also, a considerably larger increase in value of plant and machinery in factories in the first group of states than in the second. In two of the second group there were actual decreases.

"One of the most delicate tests of whether conditions are favorable or not in any country," says Hutchinson, "is the flow of migration. If more people are coming to that country than are leaving it we may be sure that the new citizens regard the prospects in their new home as better than those in the land they are leaving. Conversely, when departures exceed new arrivals, it must be regarded as an ominous sign in the development of any state."

The data show a net migration into the land value rating states between 1929 and 1938, per 1,000 of the 1929 population, amounting to 8.8, and an outflow from the other states averaging 10. The inflow for Queensland, the state with the highest level of land value taxation, is the greatest, 16.5. *All of the other states* (the "annual value rating" states) *show an outflow*. For Victoria this is slight. For both South Australia and Tasmania it is considerable, 29.1 per 1,000 and 15.5 per 1,000 respectively.

No doubt it can be questioned whether conditions in the two groups of states are sufficiently similar to make the conclusions reached, purely from the data given, wholly reliable. Some critical readers may question

whether, despite the care taken by the author of the studies to select only cities similarly situated, even the conclusions drawn from the data on cities in the Greater Melbourne area should be taken seriously. But certainly the data presented, *pointing with almost complete, if not complete, consistency in the same direction*, make a sufficiently good *prima facie* case so that it would seem *inexcusable* for any professional economist to *refuse to examine carefully* and without antagonistic prejudice *the theoretical argument* for land value taxation. And in view of the seeming great advantage of the land value tax policy, there would appear to be little excuse for the failure of many economics teachers to present the relevant facts and theory clearly and with some completeness to their classes. Yet scarcely ever, in the economics courses at American universities and colleges—even in the course in Public Finance—is the theory of the subject—or any such relevant data—presented to students adequately, so that any considerable number of them get any appreciable understanding of what land value taxation can accomplish or why it can accomplish it. *Frequently neither the teacher nor the textbook mentions the subject at all*, —or they mention it only to make a few brief and unanalytical derogatory comments on it.

II

LAND VALUE TAXATION, if sufficiently high, makes it utterly unprofitable to hold good land out of use. It increases, therefore, the amount of land offered for rent or for sale. It lowers the rent of land and thus reduces for tenants the cost per month or per year of housing.

By making more good and well situated land available, land value taxation increases the productivity of labor or of labor and capital both. It thus tends to raise wages. And insofar as it makes possible the abolition or even the reduction of commodity taxes and other taxes resting largely on wage earners, workers are still further benefited.

Heavy land value taxation would make possible the abolition, among other taxes, of taxes on real estate improvements, on livestock, on machinery, etc. Thereby it would definitely increase the net per cent return on capital investment. This would almost certainly cause an increase of saving, and so of capital. But even if saving were not thus promoted, such a tax system would inevitably cause savings made in other communities to be invested more largely in the land value tax community or communities. And the greater amount of capital in any such community or communities would mean that labor could be and would be

better equipped with capital *as well as* better provided with good land. Thus there would be *two* reasons for a greater productivity of labor and higher wages.

For all these reasons it is easier for a tenant to become an owner of land. *The rent he has to pay while he is a tenant is lower. His wages are higher. From these wages less is taken in direct taxation of his income or in taxation of the goods he must buy. He can save more easily. If he does save and invest, his net per cent return from capital, thus untaxed, is greater and this further increases his ability to save. The price of land is lower.*

Some writers have contended—for example, Prof. Lewis H. Haney² and, apparently, Prof. Willford I. King³—that, though the price of land is lower, the tax which the owner must pay on it annually is higher and that this offsets for him the advantage of being able to purchase it at a lower price.

But such writers consistently and persistently overlook some very important points. They overlook the great reduction—and it might be even the abolition—of many or most other taxes. They overlook the lower rent of land, consequent on the forcing of good unused land into use. They overlook, therefore, the fact that, even if the land value tax takes *all* the rent, this tax will nevertheless be lower for the ex-tenant owner than the rent was previously when he was a tenant. They overlook the fact that the (marginal) productivity of labor is higher, so that more of what is produced from the land is wages ("imputable" to labor) and less is rent ("imputable" to land). They overlook the effect of the land value tax system in increasing the amount of capital in the community or communities adopting the system, thus further increasing the productivity of labor and the wages of labor. And they overlook the effect of a higher net interest rate on capital, along with the lower land rent from forcing speculatively held land into use, in reducing the sale price of land by *more* than the capitalization of the tax at the old (and lower) interest rate. In short, *there are serious gaps both in their appreciation of the relevant economic facts and in their comprehension of the relation of these facts to the appropriate mathematical calculations.*

Obviously, the most ideal system of taxation would hardly suffice to

² In his "Value and Distribution," New York, Appleton-Century, 1939, pp. 736-7.

³ "The Single-Tax Complex Analyzed", *Journal of Political Economy*, Vol. XXXII, No. 5, October, 1924, p. 609. Dr. King mentions the point herein criticised, as something that "a captious critic might assert" and perhaps he does not mean himself to assert it; but he seems to be seeking to make sure that the reader will see it stated and he does not offer any refutation of it. One must perhaps judge his meaning and intent from the general tone of his article.

bring as much productive activity and agricultural and manufacturing development in the Sahara desert as might come to a region highly favored by nature, even though the latter has a very bad tax system. But do not the Australian data which have been summarized herein, re-enforce the argument from theory? And does not the theory—which has long since been well and rather thoroughly worked out, even though various economists of reputation write as if they did not at all understand it—make the figures presented by Hutchinson seem entirely credible?

Yet teachers of economics continue to stress "the ability theory" of taxation and, in lesser degree, what they are pleased to call "the benefit theory" and appear to have, usually, no appreciation of the overwhelming advantages to a community or a nation, of making the annual rental value of land the first source and, in so far as reasonably possible, the chief source of taxation. The truth is, despite the sniping of an antagonistic economics professoriate, that, certainly within the limits of what a tax taking substantially all of the annual rental value of land would yield, such a tax would be *more advantageous even to propertyless wage earners of small income, than the most drastically progressive tax on earned incomes or on all incomes together, and this even though such drastically progressive income tax were to take nothing at all from such wage earners.* Then *why* should any economics professors plume themselves on their "liberalism" when they are putting chief emphasis on the "ability theory"? And how can they think of themselves as sympathetic toward the ordinary worker, when they persistently refuse to present fully and fairly to students who would eagerly listen, the demonstrable advantages of and the convincing arguments for such land value taxation? Or *are ambition, hard work, efficiency, and the willingness to save and invest, so deserving of punishment that we should tax them in preference to taxing land values, although the latter tax policy is better even for average and below-average propertyless wage earners!*

Is it, perchance, regarded as academically more "safe," or less "radical," for economics professors to emphasize a tax system that goes a considerable distance toward the Marxian ideal—"from each according to his capacity, to each according to his need"—than to emphasize land value taxation, *which is of the very essence of a truly self-consistent philosophy of free private enterprise?*

But perhaps most living economists, just because they have been trained by a generation or generations that rejected Henry George, have no real understanding of the land value taxation policy and feel under no

necessity to acquire such understanding. Perhaps they mislead their own students, and readers, because they are so smugly confident, though they have never thought it necessary to examine it objectively and thoroughly, that the land value taxation case is utterly mistaken.

Meanwhile, not a few business leaders are constantly seeking to get taxes on property-in-general and on the larger incomes, reduced by substituting taxes that burden more heavily the smaller incomes and the purchases of the relatively poor. Instead of urging a really significant reform based on fundamental principle, their interest appears to be merely the getting of taxes off of their own large incomes and thereby increasing the burden on the recipients of smaller incomes. *What wonder if the propaganda of such business leaders is greeted by common folks with lifted eyebrows or even with jeers! Such propaganda is hardly the way to make the system of "capitalism"—the private enterprise system—more attractive to the masses. Nor is it an effective way to inoculate them against the virus of communism!*

The basis of the case for the public appropriation of most or nearly all of the annual rental value of land by taxation, is the fact that geological forces, not men, made the earth, and the further fact that the location advantages of land, in so far as they result from human activity, are a by-product of the activities and choice of habitat of many millions of human beings. They are not produced by one man or a few men.⁴ But capital—buildings, machinery, locomotives, livestock, planted fruit trees, ships—can be brought into existence only through work and saving.

There is a related distinction between the two kinds of income stemming from these two kinds of property. In the case of capital which one's own work and saving have made possible, and *without which the capital would not be in existence*, the income the owner receives comes to him from the added product of industry which this capital makes possible and which, therefore, is in no sense abstracted from others. In the case of natural resources and valuable city sites, the facts are far otherwise. When, for example, geological studies and investigation and (perhaps) actual drilling show clearly that there is oil under a particular tract of land, oil which the landowner did not put there, which the landowner did not find, and which the landowner does not help to get, the royalty (rent)

⁴ This point I have discussed more thoroughly, and with due reference to minor qualifications, in some of my books. See "The Economics of Taxation," New York (Holt), 1924 (reprinted by Lucas Brothers, Columbia, Mo., 1938), Chapter VIII, § 2. See, also, "The Economic Basis of Tax Reform," Columbia, Mo. (Lucas Brothers), 1932, Chapter IV, § 6, and "Basic Principles of Economics," Second Edition, Columbia, Mo. (Lucas Brothers), 1947, pp. 264-5 and 351-3.

which he receives comes to him merely for *permitting* others to withdraw the oil. Similarly, when, as has happened, the growth of the tributary territory makes it important that millions of people live on and near New York Harbor in order that the world commerce on which all of us depend may be most effectively carried on, this means that the owners of New York City land are in a position to secure hundreds of millions of dollars a year merely for *permitting* men and women to work and live where the rest of us need to have them work and live in order that our wants may be adequately served. The difference between receiving income from capital which, without work and saving, would not even be in existence, and receiving income because one is in a strategic position to forbid others the use of a part of the earth which has been made desirable because of geological forces or community growth and development—*this difference is fundamental and profound*. What shall we say of learned professors of economics in whose economic philosophy—and in whose teaching and textbooks—it has *no place at all*?

Francis A. Walker, a teacher and writer of economics who was a contemporary of Henry George, referred to George's "practical proposals" as "this precious piece of villainy"⁵ and concluded his discussion of them with the statement: "I will not insult my readers by discussing a project so steeped in infamy." Can it possibly be that contemporary teachers of economics who can find no classroom time for the consideration of any tax reform which goes even the tiniest bit and by the tiniest steps in the direction of relatively increased taxation of land values, are reacting similarly?

In the United States there have been not a few changes in tax rates and tax policies. But *no other change or proposal for change*, so far as I am aware, *has ever stirred any college or university teacher of economics to language so denunciatory*. In those cities, districts and states of Australia that now "rate on unimproved land values," *the dominant sentiment has obviously not been that the one change in taxation which is most superlatively sinful is a change in the direction of taxing land values more while abolishing or reducing other taxes*. Possibly these Australians do not feel that "society" has made a *perpetually binding* "pledge" to all owners and to-be owners of land, *never to levy any heavier taxes on them than have been previously levied!* Therefore, the proposal to change taxation in this particular direction, *could be discussed reasonably and*

⁵ "Political Economy," New York (Holt), 1887, p. 418. (The text reads "... price of villainy," obviously a typographical error.)

with due consideration for its probable consequences on community progress and welfare.

Few—if any at all—of the economics teachers and writers who follow Francis A. Walker in this matter, have read Henry George's book, "A Perplexed Philosopher,"⁶ Chapter XI of which is devoted specifically and most effectively to answering this sort of objection. I have myself discussed the matter in a number of publications⁷, directing attention especially to such questions as

- (1) What is the *nature* of "society's" supposed "pledge"?
- (2) Just *what* members of "society" are thus under "pledge"?
- (3) Are the *victims* of a bad economic or social institution to be considered as under a binding "pledge" *never to seek* to change the institution from which they are suffering, except as they, the victims, reimburse the beneficiaries of the system for the latter's loss of their favorable position?
- (4) Are the victims of such an institution under such an ethically binding "pledge," as being a part of "society," even if they never consented to the institution understandingly but only through the influence of the propaganda of its beneficiaries,—and even if they never consented to it at all but opposed and protested against it?
- (5) Are the victims of such an institution likewise under a "pledge" not to change it without paying to reimburse its beneficiaries, even if the institution was established before they were born but was ignorantly—and perhaps only tacitly—consented to by some of their ancestors, *i.e.*, are the present victims "responsible" for it when their "consent" to it, if ever given at all, was given only vicariously?
- (6) If the institution under criticism happens to be slavery and such victims are slaves, would it then be a sinful act for them to run away without reimbursing their owners for the loss (since some of these owners may have *bought* their slaves) of their invested savings,—or, if strong enough, to *abolish* slavery and their own servitude without contributing to the reimbursement of these owners?

To the best of my knowledge and belief—and I have checked on a good many of them—none of the economists who follow the lead of

⁶ This book is currently available from the Robert Schalkenbach Foundation, New York.

⁷ "The Economic Basis of Tax Reform," especially, Chapter IV, §§ 7 and 9; "Fiscal Policy, Taxation and Free Enterprise," also printed as Part I of "A Postscript and Questions," Columbia, Mo. (Lucas Brothers), 1946, Chapter VII; and "The Teaching of Economics," New York (Schalkenbach Foundation), 1948, Chapter IV.

Francis A. Walker in this matter has shown any sign of having *really* faced, *ever*, these questions.

Economics teachers who are not so completely convinced of the rightness of F. A. Walker's point of view as to know in advance that further study of the matter is useless, might take the trouble to consult one or more of the publications referred to above!

In view of the frequent and numerous changes that have been made in taxation policies and tax rates, as well as in other economic policies, why should it be assumed that those who may have purchased *land* have made *their* purchases on an implied—and morally binding—"pledge" that the tax rate on land, as compared with other taxes, shall *never* be increased!

When, in 1913, the Pennsylvania legislature established the Pittsburgh (and Scranton) graded tax system, it provided that the city tax rate on buildings should become, in 1914, only 90 per cent of the rate on land; that in 1916 it should be 80 per cent; in 1919, 70 per cent; in 1922, 60 per cent, and in 1925, 50 per cent. This meant that to get the same revenue for the city, the tax on land values had to be gradually raised. If this gradual change had been continued by corresponding stages until 1940 and applied also to the taxes levied by other taxing authorities, such as the county and the school district, all taxes on buildings in Pittsburgh (and Scranton) would have been then done away with. Had a comparable policy been followed throughout the entire United States, or even any large number of the states, the land value tax rate would presumably be high enough by now in the territory so affected, to absorb for public use the greater part of the situation rent of land.

Did the Pennsylvania legislators, then, in passing this law in 1913, commit a *sinful act*? Was the passing of this law, *unlike* or *beyond* any other of the *many* taxation changes that have been made by our various legislative bodies, a "precious piece of villainy" and was its mere proposal "a project . . . steeped in infamy"! If not, how shall we account for the psychology of those professors of economics who seem able to accept with apparent equanimity all sorts of policy changes—some of them certainly unwise and wrong—but who greet any proposal looking to the eventual establishment of a land value tax policy with denunciation?

In any case, is not the expressed opinion of various economics professors that "society," which makes frequent changes of policy in other matters and frequent changes in tax policy and in rates of taxation, is nevertheless under a binding implied "pledge" *never* to move, *even by the most imperceptible steps*, in the particular direction urged by Henry

George and already followed for some distance by Queensland,—is not this opinion *utterly silly*?

Some of the pronouncements of distinguished economists from our best known universities suggest that their failure to explain the land value tax program and the effects it would produce—which it apparently does produce in (for example) Queensland, Australia—to their students, could, possibly, be due to their not understanding it themselves. This, in turn, could be because the economics teachers *they* had in *their* student days had no interest in explaining it and so these contemporary teachers never had occasion to study it or to learn anything about it.

In an article in the November, 1939 issue of *The Atlantic Monthly*, "Business Looks Ahead," Prof. Sumner H. Slichter of Harvard University writes of high real estate taxes as an "important obstacle to cheap housing." He refers to the Detroit Bureau of Governmental Research as estimating the rate of real estate taxation in 274 cities as "about 25 per cent of rent or rental value." This, he says, means that "the present real estate taxes are equivalent to a 25 per cent sales tax on shelter," and he urges that sources of local revenue should be "broadened" so as to "make it possible to cut real estate taxes in half."

Professor Slichter ought to know—but I suppose it is highly doubtful whether any of his teachers in his student days ever explained the matter to him, and apparently he is not conscious of any vacuum in his understanding of it—that taxation of land values does not have the same effect as taxation of buildings and other real estate improvements. He ought to know that to cut in half the part of the real estate tax which rests on land values would make land rents and land values higher rather than lower. The theory of the subject is clear and convincing. The data from Australia cited at an earlier point in this paper certainly do not tend to support Dr. Slichter's views—unless his views are wholly different from what his words make them appear clearly to be. And if it be said that the particular data herein cited were not available to Professor Slichter when he was writing his article, it is still to be noted that the theoretical argument against him is unanswerable. It is unfortunate for the people of the United States that they can get no help from Dr. Slichter and others like him towards understanding what consequences land value taxation definitely tends to bring about and appears to have already brought about, to a considerable degree, in parts of Australia.

III

THE CASE OF DR. SLICHTER is not an isolated one. In my books I have subjected to analysis the confused pronouncements, antagonistic to the

land value tax reform, of more than a dozen of the economics professoriate. Economists who have discussed land value taxation in print may be interested in checking *to see if their names are on the list!* Other economics teachers, who may have feared to express sympathy for the land value tax policy because of a seeming weight of professorial authority against it, *may have their courage restored* after contemplating the warped and twisted economic "arguments" against this policy used by these "authorities." Let us hope that not forever, when land value taxation is mentioned, will there be the present tendency for economics teachers (by hasty disavowal) to "*scurry for cover*" lest someone accuse them of being "*single taxers*" or "*followers of Henry George*."

But at present, prejudice against the land value tax program is widespread among teachers of economics, *the very persons who*, more than any others, *should have a clear appreciation of its advantages*. A few do realize the desirability of moving in this direction. One of these, who had collaborated in writing a book in which an increasing land value tax was favored, told me in personal conversation that he had taken considerable "razzing" from colleagues because of it. Another sympathizer with the land value taxation program informed me that when, as a graduate student, he had indicated his viewpoint in the presence of one of his teachers, this teacher suggested to him that, as a young economist, he should be careful about committing himself to a view not generally approved in the profession. A third, after some experience in teaching and collaborative writing, confided to me that "economists seem to have closed minds on the subject." A fourth economics teacher told me that, when taking a graduate course at one of our distinguished universities, he made some reference to Henry George as an economist, to which his professor replied: "Well, if we call Henry George an economist."

It is true that Henry George was guilty of some errors of analysis. I shall refer later, in this connection, to his discussion of interest on capital. But in view of the logical errors I have pointed out in various articles and books, committed by economists rated among their fellows as the most distinguished, it would seem that those economists and all others who accept their alleged reasoning, cannot with propriety or common sense, from the glass houses of their own systems, "throw stones" at Henry George.

A student coming from another institution and enrolled in my course in Public Revenues, confided to me that one of his former teachers of economics, on learning that he was taking this course with me, inquired: "What do you want to take that for?" Then, referring to the land value

tax idea as "mediaeval", he said to the student, in relation to my course: "Well, don't pay too much attention to it."

A distinguished and respected economist who has done a great deal of valuable work in another field of economics, has more than once indicated privately to me real sympathy with this important reform. He explains that he does not express this sympathy publicly because, *in view of the widespread antagonistic prejudice on the matter among economists*, he fears that his own studies in the other field would become thereby discredited and of relatively little influence.

I shall make no attempt here to repeat analyses I have made elsewhere pointing to the fallacies and irrelevancies in the principal arguments used against the high taxation of land values. Not a few economists are still naïvely presenting their objections to this policy *without ever having investigated*—pretty generally, it would appear, *without ever having heard or seen*—the convincing objections to their objections! Hardly any of them are familiar with Prof. George Raymond Geiger's really brilliant study, "The Theory of the Land Question."⁸ Probably very few of the new generation of economists have read more than a few pages of Henry George and, when they have, it is seldom indeed that they have gone beyond "Progress and Poverty" to read such incisive criticism of opposing contentions as is to be found in his book entitled "A Perplexed Philosopher." Yet as Dr. Geiger says with regard to the stereotyped objections constantly appearing in economics texts, "it is only fair to add that every one of these objections has been met by writers who, from Henry George on, have tried to break the wall of indifference and misrepresentation that so effectively surrounds this reform."

The arguments and pronouncements antagonistic to Henry George and the land value tax reform, to which I have called attention here and in previous publications and to which so many of the "big names" in American economics have been committed, *are certainly not indicative of intellectual discernment or of logical keenness and consistency!* Rather are they, in general, such arguments and pronouncements as would make one who had somehow slipped into committing them; who had, later, really made a clear, objective and logical appraisal of them, and who was at all sensitive to any judgement of an informed posterity, *devoutly wish he could expunge them completely and forever from his record, so that no one could see them ever again.*

If there has been no progress in the United States towards relatively increased taxation of land values, may not this be largely because teachers

⁸ New York, (Macmillan), 1936.

of economics in most colleges and universities either "refute" the arguments for it—usually in a few sentences or, at most, three or four paragraphs—or ignore it? And few students, in these days of heavy reading assignments, go far afield to read anything their professors do not assign. How, indeed, would most of them have occasion to realize or to suspect that here is a subject very much worth studying? And so, among the numerous graduates of our institutions of higher learning, from whom our leaders in business, government and journalism are largely drawn, there are hardly any to whom the idea ever occurs to urge this reform.

At the University of Missouri we have many students who have done their first two years of college work elsewhere. *Almost without exception they have been taught nothing—or next to nothing—about this really fundamental and important reform* which, if either theory or the data we have from Australia mean anything, promises much in prosperity, and in hope for common folks, to any country that will adopt it. Are university and college students of economics *never* to have a reasonable chance to *learn anything about it in their college economics courses*? And then, if, *as a result* of such a condition, no movement for the public appropriation of the rental value of land or most of it, develops, will the economics professoriate adopt the added excuse that the reform is "politically impossible" here—notwithstanding what has been done in Queensland!—and therefore not worth while explaining to students? Will there continue to be *practically no chance to learn about it in college*—where, of all places, its study is most appropriate—so that college boys and girls will usually not learn anything about it unless they just happen to drop into one of the classes (taught as a labor of love by volunteer teachers who have other jobs to make a living) of the Henry George School of Social Science?

In an article of just a few years ago, "Capitalism in the Postwar World,"⁹ Prof. Joseph A. Schumpeter of Harvard University undertook to give an analysis of the way certain forces, political and economic, threaten or may threaten the continuance of "capitalism." Among the influences he mentioned was heavy taxation which largely absorbs the gains of enterprise and investment. In this connection he referred to "burdens which eliminate capitalist motivation and make it impossible to accumulate venture capital, with risks of borrowing greatly increased." And in an appended footnote he went on to say: "High or highly progressive taxation of profits increases the risks of borrowing for purposes

⁹ Chapter VI of "Postwar Economic Problems," edited by Seymour E. Harris, New York (McGraw-Hill), 1943.

of long-run investment, because it absorbs profits the accumulation of which might be counted on to take care of subsequent losses."

But why did not Professor Schumpeter call attention to the fact that a tax taking all or most of the annual geologically-produced and community-produced *rental value of land* definitely does *not* remove or at all weaken the motive to accumulate? Why did he fail to remind us that the more we take of this income which is *not* the product of individual work and efficiency, or of saving and investment, the more can other taxes be reduced and the less will be the "burdens which eliminate capitalist motivation"? Is it because he—and, perhaps, a considerable number of other economics teachers—really thinks it *desirable* to "*eliminate capitalist motivation*"? Or it is because, *after careful and unprejudiced study* of such evidence as is presented herein and such analysis as appears here and in the various publications herein referred to, he was thoroughly convinced that there is no case for land value taxation and no argument for it sufficiently plausible, even, to be worth mention? Or did he never have the theory of the question really explained to *him* by any of *his* teachers, so that it has never occurred to him to mention it?

In this connection it is appropriate to quote from a letter written to me just a few years ago by a university teacher of economics. "The thing that is both curious and amazing to me," said this teacher, "is that I could have attained a Ph.D., having gone, among others, to two state universities, without having been subjected to more than a few pages of literature, mostly derogatory, and without having spent more than five minutes of class time on Henry George's philosophy."

Many textbooks in the "principles" of economics—and some, even in public finance—*make no mention at all of the subject*. Indeed, the recent text on "The Elements of Economics" by Prof. Lorie Tarshis of Stanford University, does not have the word "land" or the word "rent" or the name of Henry George in the index. The publishers claim it is in use at Columbia, Harvard, Yale and other universities. The same statement can be made regarding "*The Economics of Public Finance*" by Prof. Philip E. Taylor of the University of Connecticut. Such cases remind one of the limerick which relates that

A college economist planned
To live without access to land
And would have succeeded
But found that he needed
Food, clothing and somewhere to stand.

If there is occasionally a teacher who is eager to present the subject fully and fairly, he is quite likely to be limited in his opportunities of

doing so by the prejudices of colleagues. Texts are selected and assignments arranged which all must use and follow. Dull and, from the point of view of the general welfare, *relatively inconsequential* topics are dwelt on for weeks. Almost no time—if any at all—remains for a consideration of the question whether some men should have to pay other men for *permission* to work on and live on the earth in those locations where work is relatively productive and life reasonable tolerable. I know personally of one teacher—probably in some such strait-jacket—who stated that he was trying to work out a method of presenting the subject in a single class meeting. That amount of time is, of course, *utterly inadequate for real understanding*, all the more so because of the prevailing lack of comprehension of what is proposed and *the confused and confusing antagonistic arguments* that the students will have to meet. *The situation is much as it would be in a college of medicine if the lecturers on cancer and on rabies were forced to devote their time chiefly to the subject of poultices and dressings and were allowed hardly any time for the explanation of surgical techniques, radium and X-ray treatment, and vaccination.* Thus, in economics, because important truth is denied or ignored, the students—and the public—are cheated.

It may be—and *has been*—a matter for unfavorable comment in a book review, if an author devotes “too much” space (*i.e.*, barely enough to enable an average student to understand the cause and effect relations involved!) to land value taxation. But *never* have I seen *any* review of *any* textbook in the field of economics or public finance criticize the author for devoting *too little* space to the subject or *even* for devoting *no space at all* to it. I doubt if there has been, *ever*, any such review in *any* of the regular professional journals of economics. Is this because “that sort of thing just isn’t done in the best circles”?

What *should* determine the amount of space, and of time, to be devoted to the theory of land rent and its taxation? As we have already noted, other taxes and tax systems cannot, so long as any considerable part of the annual rental value of land is left to private owners, be so favorable to productive efficiency and so advantageous to the well-being of the majority of the citizenry of a country as can taxation of land values. The proponents of other tax systems, however inadequate and incomplete they may consider the inductive data herein summarized on the effects of land value taxation, have never, so far as I am aware, presented any similar inductive evidence regarding the prosperity inducing tendencies of the taxes or tax systems they urge. The study of land value taxation and its relative merits makes necessary a thorough study of the theory of the production

and distribution of wealth and applies this theory to tax policy. Most certainly such a study can be used to train the student in logical analysis. And if it be argued that chief emphasis should be put, rather, on the study of the taxes and tax systems now actually in force in the United States and Western Europe, the answer is that *such a view completely misconceives the proper aim of university and college education for citizenship*. What our graduates should get, if they are to be intelligent and helpful leaders of public opinion, is such an understanding of cause and effect relations *that they can point the way to better policies than those of the past and the present* and can present cogently and effectively the reasons why such policies are better.

Or is it instead the proper function of the professors in our universities and colleges, *first* to find out what views are currently in favor, and *then* make sure to indoctrinate their students with these accepted views! Can it possibly be that this philosophy of the teaching of economics is the excuse for the current attitude of the economics professoriate toward the land question?

IV

NOT LONG AGO, after I had sent to a well-known teacher of economics a reprint of an article discussing some techniques for the teaching of rent and taxation theory, I received an acknowledgement that concluded with a mild reproof. The mildly-chiding professor suggested that if my development of the subject were "part of a broader attack on other major difficulties in our economy perhaps a more sympathetic hearing would have been attained."

I have written books and articles dealing with international trade, tariffs and bounties, with transportation rates, with the problem of the regulation of the rates of and of the valuation of public utilities, with business fluctuations and price level stabilization, etc. My teaching has for many years put emphasis not just on one but on *various* reforms needed to make "capitalism" work more effectively and fairly to the common advantage. I had been under the impression that the fact of my having shown interest in, and participated in the discussion of, these other aspects of economic theory and economic reform might indeed help at least a little in drawing sympathetic attention to my presentation of the land value tax proposal. And then comes this letter!

If I have devoted relatively more attention to the land rent problem than to some others, this is partly because it is so fundamental—after all, *why* should we *not* raise questions about *who should have to pay whom* for *permission to work on and live on* and to use *the earth?*—and partly be-

cause the land value tax proposal *has been so shamefully misrepresented and ignored* by various members of the economics professoriate and *needs friends so desperately.*

The teacher to whom this subject makes a significant appeal as a teaching problem will not be wholly without reward. A recent letter from one such teacher includes the following:

In my own college days I studied economics at — University, and like most students of the subject, found nothing of particular interest—certainly nothing stimulating—about the subject, as taught. Then I went to the — Law School, and went to Chicago to do law office clerical work. . . . During the three years I spent there before my entry into the military service, I stumbled across Henry George classes, and for the first time in my life I was able to see that there was some direction that could be taken by a person with a strong sense of the values of individualism and a strong sense of mission in life, even in a world like the one we were living in. More than four years in the army and now two years of post war adjustment have only postponed the performance of what I think is the most important thing in the world—helping people to do some straight sound economic thinking.

Let no reader conclude that, as Dr. Willford I. King contends, men like this "are not merely advocates of an economic policy but that they are a religious cult and that their intense devotion to their creed has little connection with logic or reasoning."¹⁰ That is a *cliché* for which there is no sufficient justification. It is the *argumentum ad hominem* of writers who *cannot really answer* the arguments of those on whom they seek to cast discredit. I have myself had considerable contact with leaders and teachers in the Henry George schools in New York City, Chicago and St. Louis. I have found some of them to be persons of considerable learning and all of them mentally alert and eager to understand the cause and effect relations involved in this subject. Only last year I lectured to teachers of the parent Henry George School in New York City, on the theory of interest from capital, criticizing sharply the views of Henry George on this subject. My talk was received with, apparently, considerable approval. Later I wrote an article for *The Henry George News*, organ of the New York branch of the School, elaborating this criticism. Special pains were taken by the editor to see that this article was printed not only in the *News* but separately—some thousands of copies—so that it might be available for the use of teachers of the School in different cities. Professors of economics who echo after each other this and other *clichés* about those who have found sense in Henry George's teaching regarding land rent and good tax policy, simply do not know what is going on elsewhere

¹⁰ "The Single-Tax Complex Analyzed," p. 612.

than in their own little group. When will they "snap out of" their coma?

It is my experience that students in the "principles" of economics (and in public finance, too) *are more interested in this part of the course than in any other part.* Individual students have informed me that they have heard about this topic as a part of the course and that they wanted to take the course especially for that reason. Any adequate presentation of this topic *reaches for fundamentals. It stirs discussion. It is dramatic. The students talk about it outside the class.* Only recently one of my best students told me that "the question of the land tax is *the most discussed question on this campus.*" They endeavor to explain the theory of it to others not taking the course. They talk about it at home during vacation. Teachers who omit or "soft-pedal" this part of economics can scarcely hope, if other things are at all equal, to make their classes as interesting to their student customers. No amount of money spent from the income of large endowments, to hire instructors or "tutors" to stimulate discussion in dormitories or other small groups, can compensate for leaving out of the work in economics *the most exciting and vital topics on which it can shed light.*

Recently a college teacher of economics told me that the economics students where he is teaching tend to accept "a mixture of Keynesian economics and traditional socialism." Other economics teachers, including one of considerable years and experience with whom I have discussed the matter, agree that this is probably a general condition in American colleges and universities. Certainly there appears to be reason to believe that in most of our institutions of college rank, students of economics who are inclined to social idealism—as many are—*tend toward one or another form of socialistic philosophy.* This, I believe, is because they do not get, from their courses in economics, *the vision they might get of what a system of free private enterprise would mean to common folks, if it were so reformed as to make it consistent with the principles appealed to by those who essay to defend it.* Such reform would, indeed, include much more than reform in our land and taxation system *but this it must certainly include.* There is tragedy in the fact that among those who have been lured into communistic activities, and even into betraying the interests of their own government to those of an alien power, are some *who followed communism because of their own social idealism and who might have been saved from this personal tragedy had the influence of our economics professoriate not been in the direction of discrediting and hushing up all serious advocacy of the public appropriation of the annual rental value of land.*

A land value tax policy would reward industry, efficiency and thrift. It would stop the waste of vacant land speculation. It would further ownership of land as against tenancy by those who use it. It would be better for workers as such, whatever their prejudices in the matter, than any other tax policy. *It would, along with effective anti-monopoly policy, the ending of special government privileges to various groups, stabilization of the dollar as the yard, quart and pound are stable, etc.,¹¹ conduce powerfully to strengthen the system of free private enterprise ("capitalism") and increase its attractiveness as compared with the regimentation of socialism to which we seem to be tending.* If our teachers of economics, instead of rejecting, as so many of them have done, the teaching of Henry George, had striven to make the important and relevant parts of that teaching understood, we might by now, through their influence and that of thousands of their students, be well on our way to the realization of this basic reform in full measure. Thus we would be *more prosperous, stronger should war threaten, and with the peoples of other countries looking too admiringly at us and our system to be greatly tempted by communism.* If our military leaders had ever had it adequately explained to them in their college days, *it might have been applied to occupied countries, hastening their recovery from the ravages of war, making more distinct the advantages of free enterprise over socialism and communism and increasing our influence as against that of the communist states.*

But this our professors of economics have not done. Instead, they have mostly sought, even when they have been willing to discuss the land question at all—*say for five minutes!*—to indoctrinate their students with an entirely different economic philosophy, inconsistent with and antagonistic to that of Henry George. And their influence has spread widely. Students have come from far countries to study at American universities and especially at the larger institutions, such as Columbia University. In these institutions students from the Chinese Republic, whose founder, Dr. Sun-Yat-Sen, was greatly impressed by Henry George's contribution to economics and wished to make some application of George's principles to Chinese taxation policy, have been indoctrinated with a contrary philos-

¹¹ If and when our economic set-up is reformed in all these respects, there will remain, still, the undeserved inequality that stems from the injustices of the past. Elsewhere I have discussed the possibility of mitigating this inequality by means of wisely graduated inheritance taxation; while yet not denying the natural and reasonable desire of men and women to bequeath from their savings to those near and dear to them who may survive them, and, therefore, not appreciably weakening the motive to save. See my "Basic Principles of Economics," pp. 453-7 or "The Economic Basis of Tax Reform," pp. 61-7.

ophy and have returned to China to teach this contrary philosophy in Chinese colleges and universities.

If communism—or socialism—and the incident regimentation *should win*, in the United States, in Western Europe, in China and elsewhere, *over the present caricature of free enterprise*, those professorial economists whose economic philosophy has contributed to make our economic system such a caricature cannot be held free of all responsibility for the system's ultimate collapse. For "capitalism" is indeed under heavy attack in a large part of the world. And the college graduates our economics professors have taught are but poorly armed against the bombardments of communist and socialist ideology, when they can oppose the optimistically idealized programs of the "planners" with nothing better than this caricature of what capitalism could be at its possible best. *Why have they not been shown the intriguing blue-print of a free private enterprise system clearly worth fighting for?*

Were the great majority of the teachers of economics in the universities and colleges of the United States *convinced communists* desirous of following "*the party line*," were the leaders of the party in Moscow seeking to corrupt capitalism into as poor a system as it could be made, in order that it might operate so badly as to *provoke revolution*, and had the communist leaders, for that very reason, given to all of these communist teachers of economics definite instructions either to *keep students from ever thinking about the land value taxation program at all* or to *cast discredit on it*, the situation as regards education of university and college students on land rent and its taxation could hardly be worse than it actually is. For with current trends and political pressures what they are and the current teaching of economics what it is, the people of the United States are unlikely to go along the path that Queensland has followed more than half the way, and, still less, to go further than Queensland has gone, thus reaping the advantages—and more—that Queensland has gained in considerable degree. Rather are we likely to follow the example of Tasmania and eventually, perhaps, do even worse. And how can anyone say that the teachings of our economists have and will have nothing to do with the result, unless he believes that this teaching has no effect whatever on the minds that are subjected to it?

It is of course difficult to assess individual responsibility when the mental pattern of most of the economics professoriate is so largely conditioned by the teaching of their predecessors, the economists of an earlier generation, and by the ideas and *clichés* current among their contemporaries. *But there is nevertheless a collective responsibility.* And so in a very real

sense, the failure of the economists in our colleges and universities, to make clear to their students the cause and effect relations involved in the land value taxation policy, is a *betrayal of the interests of common folks, who had a right to expect from these teachers a guidance they have not received.*

"Political economy," wrote Henry George¹² nearly three-quarters of a century ago, "has been called the dismal science and, as currently taught, is hopeless and despairing. But this, as we have seen, is solely because she has been degraded and shackled; her truths dislocated; her harmonies ignored; the word she would utter gagged in her mouth, and her protest against wrong turned into an indorsement of injustice."

What are the chances that, among the present (seemingly) "lost generation" of professorial economists, any considerable number will reject *the illogical teaching of so many of the prestige names* in economics? What are the chances that any of this lost generation will re-educate themselves to an understanding of the land question? What are the chances that any appreciable number of them will earnestly strive to give their students a fundamental comprehension of "capitalism" and of the nature and significance of the reforms—including reform of the tax system in the direction pointed out by Henry George—essential to its beneficent operation? Some of them *can* do effective teaching along this line if they want to. Who among them—and how many—will really want to?

And what are the chances that there will be, here and there, a department chairman, or a president of a small college, who seriously believes that students at his institution *ought to have the opportunity* to gain *real understanding of the case for this important reform*—as well as, in general, of the advantages of a system of free private enterprise so reformed as to be consistent with the principles commonly appealed to in its defense? What are the chances that some chairman—or president—will want to have, in his department of economics, *at least one teacher really capable* of giving and *interested* in giving such understanding? What are the chances that such a chairman—or president—will not only *strive earnestly to get such a teacher* but will see to it that the teacher has *full freedom and opportunity* for adequate oral presentation, reading assignments and class-discussion of the problem—to the end that against *that* university or college, at any rate, the indictment levelled in this paper shall not apply?

University of Missouri

¹² In "Progress and Poverty," New York, 1879, "Conclusion." The passage quoted is on page 559 of the Fiftieth Anniversary edition, New York (Robert Schalkenbach Foundation), latest printing, 1948.

Lord Acton, A Great European (Part II)

By FRANCIS NEILSON

The Historical Critic

THOSE WHO ARE PLANNING a career in the field of historical literature cannot afford to overlook the aids given so abundantly by Lord Acton in his reviews of books. Scholars of twenty years ago frequently pointed out examples of literary criticism from his pen which were of exceptional value. His essay on the "Introduction to L. A. Burd's Edition of *Il Principe* by Machiavelli" has been selected several times as a unique specimen of critical achievement.

In many respects it is a review of the opinions of writers who have dealt with "The Prince" or have been influenced by its State creed. To enjoy it thoroughly the reader should be a master of five or six languages or have the passages translated for him by a scholar. This writer was fortunate enough to have a friend who had no difficulty in doing this. Nevertheless, it is possible to read it without translating all the passages, for Acton sustains the interest in his own language; and one is never at a loss in following the direction of his opinion. The chief reason why Acton's review of Burd's Edition is referred to here is that we should be reminded of the ideas of Machiavelli. The principles he formulated for the State have not fallen into desuetude, but are as vital today to its strength as they were to the rulers of Florence and Venice. Acton points this clearly:

Among these utterances of capable and distinguished men, it will be seen that some are partially true, and others, without a particle of truth, are at least representative and significant, and serve to bring Machiavelli within fathomable depth. He is the earliest conscious and articulate exponent of certain living forces in the present world. Religion, progressive enlightenment, the perpetual vigilance of public opinion, have not reduced his empire, or disproved the justice of his conception of mankind. He obtains a new lease of life from causes that are still prevailing, and from doctrines that are apparent in politics, philosophy, and science. Without sparing censure, or employing for comparison the grosser symptoms of the age, we find him near our common level, and perceive that he is not a vanishing type, but a constant and contemporary influence. Where it is impossible to praise, to defend, or to excuse, the burden of blame may yet be lightened by adjustment and distribution, and he is more rationally in-

telligible when illustrated by lights falling not only from the century he wrote in, but from our own, which has seen the course of its history twenty-five times diverted by actual or attempted crime ("Hist. of Freedom," p. 213).

Had Acton lived through the two wars that have blighted this century, he would undoubtedly have marked the influence of the famous Florentine at work in the nationalistic policies of the powers.

Another review of particular value to us is that on "The American Commonwealth," by James Bryce. The lecture that he delivered at the Literary and Scientific Institution, Bridgenorth, 1866, on "The Civil War in America" is also of unusual interest to our readers, for it contains an appraisal of the termination of the conflict that we might consider deeply at this time:

It is a noble sight to see this mighty soldier [Lee], the greatest of the countrymen of Washington, exhorting his people to obey their conquerors, and giving the example of peaceful retirement and submission. But it is also a noble sight to see the chief of a mighty and victorious nation . . . staying the hand of vengeance, remitting punishment and disbanding armies, and treating as an equal the man who had been so lately and so long the most terrible of enemies, and whose splendid talents had inflicted on the people of the Union a gigantic loss in treasure, blood, and fame. It is too soon to despair of a community that has among its leading citizens such men as these ("Hist. Essays & Stud.," p. 142).

Whether the men of today are less fitted to make terms of peace, on which a future of amity may be built, than those of Lincoln's day may be inferred from such a tribute as Acton paid to Grant and Lee. Then the atrocities of war were overlooked, as the angel of peace spread her wings over the fields saturated with the blood of heroic men who obeyed their commanders. The main object of those who had been engaged in the conflict seemed to be to leave no gaping wounds of hate behind them, if they could do anything to save them. How different it has been with warring States in our time and generation! What reversions of thought and practice have taken place! If a reading of Acton's essays and reviews had no other purpose than that of reminding us of these changes, they would merit the profound consideration of people who desire peace. He said, "The reward of history is that it releases and relieves us from present strife" ("Letters," p. 237).

So far, we have not enjoyed this reward, and there seems to be little chance of our doing so. Perhaps we shall have to find another definition for barbarism, for nothing that went by that name in the past is comparable to what has occurred during the last ten years.

Not a few of the books that have been given to us as history, written since the end of the first World War, will suffer severely at the hands of a future Acton, if the next generation is so fortunate as to be blessed with one. The sins of writers on serious subjects, which he made it his duty to expose, were never so prevalent as they are today. But the printing presses serving publishers and journalists have simpler means for reaching the multitude; and the radio, a device for distorting the public mind by time-serving propagandists has wrought irreparable damage upon the minds of people. In recent months we have witnessed several examples of the difficulties of publication encountered by writers who oppose the popular trends. There is a censorship in force today which, in some respects, is as strict as what we suffered during the war. Persons and policies must not be questioned, and it is just as hard to get at secret documents in the archives of government offices as it was to get into the cupboards of the Quai d'Orsay for information after World War I. It seems strange now to read the advice that was given to the students at Cambridge when Acton delivered his "Inaugural Lecture on the Study of History." He said:

. . . For our purpose, the main thing to learn is not the art of accumulating material, but the sublimer art of investigating it, of discerning truth from falsehood and certainty from doubt. It is by solidity of criticism more than by the plentitude of erudition, that the study of history strengthens, and straightens, and extends the mind. And the accession of the critic in the place of the indefatigable compiler, of the artist in coloured narrative, the skilled limner of character, the persuasive advocate of good, or other, causes, amounts to a transfer of government, to a change of dynasty, in the historic realm. For the critic is one who, when he lights on an interesting statement, begins by suspecting it. He remains in suspense until he has subjected his authority to three operations. First, he asks whether he has read the passage as the author wrote it. For the transcriber, and the editor, and the official or officious censor on the top of the editor, have played strange tricks, and have much to answer for. And if they are not to blame, it may turn out that the author wrote his book twice over, that you can discover the first jet, the progressive variations, things added, and things struck out. Next is the question where the writer got his information. If from a previous writer, it can be ascertained, and the inquiry has to be repeated. If from unpublished papers, they must be traced, and when the fountain-head is reached, or the track disappears, the question of veracity arises. The responsible writer's character, his position, antecedents, and probable motives have to be examined into; and this is what, in a different and adapted sense of the word, may be called the higher criticism, in comparison with the servile and often mechanical work of pursuing statements to their root. For a historian has to be treated as a witness, and not believed unless his sincerity

is established. The maxim that a man must be presumed to be innocent until his guilt is proved, was not made for him ("Lect. on Mod. Hist.," pp. 15-6).

Professors of history who have undertaken the responsibility of teaching our youths the canons of historical method might spend time on Acton and impart to their pupils some of the great principles that he laid down. The suffocating air of the classrooms, of which so many complain, might be dispersed; and if the windows of enlightenment were thrown open to let in the air he breathed, historical writing, within a generation, might flourish as he believed it would.

It is not only the depth of Acton's learning that is revealed in his literary criticisms, but also the keen desire to hold the balance fairly between the opposing forces and give judgement in a spirit of understanding the issues. With all his severity expressed against error, he weighed the acts and consequences impartially, without a tinge of prejudice.

Acton's Critique of "John Inglesant"

WHEN THE NOVEL, "John Inglesant," appeared, it created something of a sensation. The author, John Henry Shorthouse, was a Birmingham chemical manufacturer. He came from a Quaker family, but on reaching manhood, was baptized into the Church of England. Eighty thousand copies of the work were sold. In the most unlikely quarters, it made people think, and it was discussed widely in intellectual circles. All who were concerned in the eternal conflict between the flesh and the spirit debated the merits of this book for a long time. In a letter to Mary Gladstone, Acton wrote:

Wickham lent me John Inglesant yesterday, and I finished it before bedtime. I have read nothing more thoughtful and suggestive since Midlemarch, and I could fill with honest praise the pages I am going to blacken with complaint. But if I had access to the author, with privilege of free and indiscreet speech, it would seem a worthier tribute to his temper and ability to lay my litany of doubts before him. Not having it, I submit my questionings to yourself, as the warmest admirer of his work . . . ("Letters," p. 243).

Then for fourteen pages we read one of the most extraordinary reviews of a serious novel that has ever been published. He not only points out the errors in the work as to names, periods, and occurrences, but he supplies the information the author did not possess. This should be a compulsory study for any young man fitting himself for a career in literature of the higher order. The chief complaints that Acton makes are concerned with the historical errors. It might be well to quote one paragraph which gives

a sample of Acton's method, and in which he reveals the high standard that he placed upon historical accuracy:

The Jesuit who is so hopeful of Anglican reunion that he will not allow his favourite pupil to join the Church of Rome is called Sancta Clara. There was a Father Sancta Clara in those days, who is peculiarly well remembered among English Catholics as the greatest writer we had between Stapleton and Newman, less acute than the one, less eloquent than the other, more learned than either; remarkable for opinions so conciliatory as to resemble those of his imaginary namesake, and to make him the originator and suggester of No. XC. [an Oxford Tract]; remarkable also for the extreme difficulty of getting his books. But he was a Franciscan, not a Jesuit, a scholar, not an intriguer; and his name was not Hall, but Davenport ("Letters," p. 246).

If the practice of taking pains be an attribute of genius, Acton had it in good measure. In the criticism of "John Inglesant" there is clear evidence of the speed and thoroughness of a skilled workman. The feat of reading a long novel and writing a review of it was accomplished within forty-eight hours. Such a performance gives one an idea of how Acton devoured books—a wonder that puzzled many who came under his spell. We can present no better example of the value of having an immense background of knowledge in literature, for he seems never to have been at a loss to verify a statement and, furthermore, none of the essays reveals the slightest uncertainty in his attack upon the errors of an author. He seemed to be at home in any period and to be familiar with the personages who ruled, and their courtiers also, whether they were at St. Peter's, at Westminster, or at the Louvre.

The scope of the "Historical Essays and Studies," which deals with "Wolsey and the Divorce of Henry VIII," "The Rise and Fall of the Mexican Empire," "German Schools of History," "A History of the Papacy," "Mabillon," and many others, forms a towering monument of knowledge which for grandeur of thought will never be surpassed.

His Rigid Standards of Rectitude

AS A CRITIC, Acton has been accused of severity and ruthlessness, and there may be some truth in this. But when it is realized how high the standard was that he set for himself, no one should take exception to it. Who would wrest from him the rod he used figuratively upon the backs of the writers who blundered? Some of the wittiest passages we have in our language may be found in the castigations he administered. Dealing with M. Laurent, he remarks that:

sometimes it even happens that his informaton is not secondhand, and there are some original authorities with which he is evidently familiar.

The ardour of his opinions, so different from those which have usually distorted history, gives an interest even to his grossest errors . . . ("Hist. of Freedom," Intro., p. xi)

Why should he spare a careless author? He was never known to spare himself. In literature, mercy cannot be extended to stupidity. As a judge of men and their actions in and out of Church and State, he was supreme. Consider the following gem:

Lord Liverpool governed England in the the present crisis of the war, and for twelve troubled years of peace, chosen not by the nation, but by the owners of the land. The English gentry were well content with an order of things by which for a century and a quarter they had enjoyed so much prosperity and power. Desiring no change they wished for no ideas. They sympathised with the complacent respectability of Lord Liverpool's character, and knew how to value the safe sterility of his mind. He distanced statesmen like Grenville, Wellesley, and Canning, not in spite of his inferiority, but by reason of it. His mediocrity was his merit. The secret of his policy was that he had none. For six years his administration outdid the Holy Alliance. For five years it led the liberal movement throughout the world. The Prime Minister hardly knew the difference. He it was who forced Canning on the King. In the same spirit he wished his government to include men who were in favour of the Catholic claims and men who were opposed to them. His career exemplifies, not the accidental combination but the natural affinity, between the love of conservatism and the fear of ideas ("Hist. of Freedom," Intro., p. xii).

Lord Acton, however, held an essential degree of rectitude for himself in dealing with the works of his day by exercising an assiduous care for the public mind which might be led astray by popular reviewers of a book that attracted attention. He wrote two articles for *The Rambler* on Buckle's "History of Civilisation in England." After showing clearly the many errors of which Buckle was guilty, Acton remarks:

. . . We have said quite enough to show that Mr. Buckle's learning is as false as his theory, and that the ostentation of his slovenly erudition is but an artifice of ignorance. In his laborious endeavour to degrade the history of mankind, and of the dealings of God with man, to the level of one of the natural sciences, he has stripped it of its philosophical, of its divine, and even of its human character and interest. . . . We could not allow a book to pass without notice into general circulation and popularity which is written in an impious and degrading spirit, redeemed by no superiority or modesty of learning, by no earnest love of truth, and by no open dealing with opponents.

We may rejoice that the true character of an infidel philosophy has been brought to light by the monstrous and absurd results to which it has led this writer, who has succeeded in extending its principles to the history of civilisation only at the sacrifice of every quality which makes a history

great ("Hist. Essays and Stud.," pp. 342-3).

His candor was sharp, incisive. He hated a sham, and he knew that it was easy for a so-called bigwig to shine in the company of bald-headed minds. Yet, no one was ever so open and generous to those who desired knowledge. He seemed to be ready at all times to lend the stores of his mind and his library to those who sought information. There is no record of anyone who appealed to him being turned away unsatisfied.

On George Eliot

THE INTELLECTUAL CALIBER of Acton appears in many of his reviews, but there is none that shows it so brilliantly as the one on "George Eliot's Life." She is now forgotten, but she had a great influence on the English people while Acton was at work. Her atheism did not preclude her from his consideration. Perhaps no one has given such proof of the realization of her genius as we find in this essay and in the "Letters to Mary Gladstone." Coming from such a source, what could be finer than the following:

. . . She thought that the world would be indefinitely better and happier if man could be made to feel that there is no escape from the inexorable law that we reap what we have sown . . . ("Hist. Essays & Stud.," p. 286).
and

. . . There will be more perfect novels and truer systems. But she has little rivalry to apprehend until philosophy inspires finer novels, or novelists teach nobler lessons of duty to the masses of men. If ever science or religion reigns alone over an undivided empire, the books of George Eliot might lose their central and unique importance, but as the emblem of a generation distracted between the intense need of believing and the difficulty of belief, they will live to the last syllable of recorded time . . . ("Hist. Essays & Stud.," p. 303).

The European Mind

IN THESE DAYS when we are served in history with the work of the specialist, it is almost an educational duty for the man who wishes to be informed and to acquire a large view of the religious and political events of the centuries, to turn back to these essays and enjoy the treasures they contain. It is sad to think how few of our libraries have Lord Acton's books upon their shelves. Several years ago, two American universities of high standing contained only one volume apiece: the "History of Freedom," and the "Lectures on Modern History," respectively. When, about 1927, I lectured at a university on "Freedom in Antiquity" and "Freedom in Christianity," I was amazed to find only one man at the gathering who had read a volume of Acton.

And, yet, there was never greater need for his knowledge and wisdom.

Most of the mistakes we have made in the past two generations have arisen from our unutterable ignorance of European affairs. The politicians in Great Britain and in this country have shown either that they have not understood the history of Europe, or that they have deliberately ignored it.

It cannot be said that Stanley Baldwin or Neville Chamberlain knew Europe, and who would claim that Roosevelt or Hull was familiar with her history? The men at the head of affairs since the first World War (including the totalitarians of all descriptions) were nationalists pure and simple and were unable to direct their policies toward the maintenance of European peace. During the fifteen years I devoted to politics in Great Britain I met not one of her politicians who was familiar with the Continent as a student or as a traveler having direct knowledge of her cultural institutions. Outside the domain of party politics, I was intimate with several men whom I met frequently in the capitals of Europe, who could be called Europeans. In "The Tragedy of Europe" I have made some observations on this curious failing of British politicians and merchants, and the shocking neglect they often betrayed of information that would have given them a clearer understanding of the issues with which they had to deal. The European mind cannot very well be cultivated at home in the midst of national strivings. It has been described by Jakob Burckhardt as follows:

The European quality is that by which all human forces become articulate, expressing themselves in stone, in images, in words, in institutions, and political parties, down to the individual. It is the vitalization of everything spiritual in very aspect and direction. . . .

Now that we consider ourselves a world power and are going to send our military police to keep order far from our shores, the least we can do is to learn something about the people to be subordinated to our conception of how they should live and think. There is no one who can supply the necessary information as well as Acton.

There is a passage in his essay on "German Schools of History," which reminds me of the many references to Sir Henry Maine to be found in the "Letters to Mary Gladstone." It is as follows:

When Germans assert that their real supremacy rests with their historians, they mean it in the sense of Bentley and Colebrooke, not of Machiavelli and Saint-Simon, in the sense in which the Bishop of Durham [Dr. Lightfoot] and Sir Henry Maine take the lead in England, the sense in which M. Fustel de Coulanges calls history the most arduous of the sciences . . . ("Hist. Essays & Stud.," pp. 344-5).

Now that Dr. Toynbee has found thousands of readers for his "Study

of History," it is not inappropriate to remind students of the works of Maine. Toynbee seems to have overlooked them, and yet such a master as Acton paid high tribute to the author of "Ancient Law." He considered him one of three of the finest minds in England, and he told Mary Gladstone that "what pure reason and boundless knowledge can do, without sympathy or throb, Maine can do better than any man in England." How seldom one comes across a reference to him now! Has he been forgotten, entirely overlooked by those historians who write upon the economic problems which affect States? Forty or fifty years ago his works were of deep interest to American students. The subjects dealt with by Maine are just as timely now as when they were written. Indeed, "Village Communities" is a necessary work for those who desire to know the primitive beginnings of a people.

Kant's Debt to Joseph Butler

IT IS IMPOSSIBLE to read many pages of Acton's essays and miss the flashes of enlightenment which reveal a well-stored mind. Who, but Acton, would have divined the link which bound Kant to Joseph Butler, the old Bishop of Durham, whose "Analogy of Religion" was one of the great books that influenced many of the leading thinkers more than two hundred years ago. Lord Brougham said it was "the most argumentative and philosophical defense of Christianity ever submitted to the world." And Sir James Mackintosh proclaimed it "the most original and profound work extant in any language on the philosophy of religion." Acton wrote:

Kant is the macrocosm of Butler ("Analogy" and "Sermons"). From him he got his theory of conscience, which has so much influenced political as well as religious thought. His most famous saying, on the teaching of conscience within us, and the firmament above, is taken straight from Butler. I do not despair of convincing German friends that what Butler compressed into a crowded and obscure volume is substantially expanded into the minute and subtle philosophy of his successor. Kant stands on the shoulders of the "Analogy" when he elevates the probability into a substitute for proof, and on those of the "Sermons" when he makes the infallible conscience a basis of certainty and the source of the Categorical Imperative (Lally, *op. cit.*, pp. 199-200).

A reference to this is to be found in that very useful book, "As Lord Acton Says," edited by Professor F. E. Lally, and published by Remington Ward, Newport, R. I. (1942). This work may be highly recommended to students who would seek an excellent introduction to Acton's life and work.

There seemed to be no limit to the riches of his knowledge, and one is amazed at the ease with which he united thought to thought and traced

the parentage of ideas from ancient times down to modern days. It is hard to imagine an activity of daily life that he neglected. Of him it may be said his youth was well spent in constant study. There were no simple manuals, then, for the student; the hard way was the only one to be pursued, and he, with unflagging energy of spirit, acquired the erudition which made him famous. The following from a letter to Mary Gladstone gives us an idea of the years he spent "in looking for men wise enough to solve the problems that puzzle me."

. . . I was always associated with men a generation older than myself, most of whom died early—for me—and all of whom impressed me with the same moral, that one must do one's learning and thinking for oneself, without expecting short cuts or relying on other men . . . ("Letters," pp. 208-9).

The Wit of Lord Acton

BEFORE CLOSING THIS SKETCH, it is advisable to present another side of Acton. In the "Letters to Mary Gladstone" he displays a wit in many of them which is most unusual in a pre-eminent scholar. He tells his correspondent to "remember that one touch of ill nature makes the whole world kin." And of a friend he remarks: "His only artifice is his discretion."

Mr. Gladstone frequently visited Holmbury, the house of Frederick Leveson Gower, who gave fine dinner parties and had a host of friends. Acton observed, "Freddy Leveson has a touching fidelity to monotonous friendships."

How Mary Gladstone must have chuckled when she read: "Please remember I am possessed of a Whig devil, and neither Peel nor Pitt lives in my Valhalla." And in the same letter he wrote, "It is a vice, not a merit, to live for expedients and not for ideas."

What could be neater than to observe that certain actions of politicians are "more parliamentary than statesmanlike?" It would be interesting to learn if Mary Gladstone showed her father all the letters she received from Acton. One wonders if he saw the following: "Many things are better for silence than for speech: others are better for speech than for stationery" ("Letters," p. 223).

How true of so many people is the point in this: "The Duke of Orleans nearly described my feelings when he spoke, testamentarily, of his religious *flag* and his political *faith*" ("Letters," p. 314).

Acton's description of a self-possessed lady is hard to beat:

———— is very intelligent, agreeable, amiable, a little complex in design; accurate calculation sometimes resides in the corner of her eye,

and she knows how to regulate to a hair's breadth, when she smiles, the thin red line of her lips. ("Letters," p. 325).

Sometimes in a line or two he makes a pronouncement that startles one. Here are two: In writing of Ruskin, he said, "He is one of the few Englishmen of genius one of the most perfect masters of our language that ever wrote" ("Letters," p. 140). And of Origen he remarked, "The ablest writer of early times, who spoke with approval of conspiring for the destruction of tyrants" (Lally, *op. cit.*, p. 142).

The Letters are a revelation of the intrigues and schisms of Gladstone's political career, and in summing up his estimate of Mary's father as a statesman, he declared boldly that it was not his successes that impressed him so much as his failures. Acton's mind was big enough to distinguish the greatness in a genius who fails. Always aloof from the popular clamor and the vaporings of the press, his judgment of men and their policies never swerved.

No one looked down on the arena of parliamentary strife and international discord with a more discerning glance and a better appreciation of the weaknesses and foibles of the protagonists who held the fate of the world in their hands. But the hopes he cherished for enlarging the bounds of freedom and his faith in an extension of knowledge as a means of encouraging an understanding of the aspirations of the peoples of Europe were darkened toward the end of his active life. Yet, who would have dreamed when he died at Tegernsee, in 1902, that the leading politicians were already deliberating moves on the map of Europe which would destroy the continent that he had known and loved? When one reads the *Essays on Freedom*, it seems inconceivable that two World Wars have taken place within fifty years of his death.

New York

Land Reform in Syria

WHEN THE GOVERNMENT of Col. Husni Zaim took over in Syria last April, it announced that land reform was foremost among the plans it had for the improvement of the country's welfare. A committee was formed in Damascus for distribution of State land among small landowners and peasants. This seems a measure of limited value, but we await details before forming a judgment upon it. Premier Zaim said he expected land reform would enable Syria to attain the largest output from its agriculture; he would have considerable warrant for this if he introduced a program that was far-reaching enough.

W. L.

Difficulties in Brazilian Colonization

WITH ECONOMIC and social institutions as they are at present in Italy, the country is naturally overcrowded. Hundreds of thousands of Italians must emigrate if they would survive. Some of them have established associations for the development of farm co-operatives in South America. After studying several regions, these groups chose Rio Verde in Brazil for the site of their activities, with the help and encouragement of the Government of the Province of Goias. The Italian immigrants were promised that in return for setting up a local wine industry and for undertaking vegetable oil production, wheat and other specialized farming, they would be given about 150,000 hectares (375,000 acres) of land.

Hundreds of Italian families sold all they had in the expectation of emigrating to the promised land. Some went ahead to Goias, to find that everything had come to a standstill. The Provincial Government was unable to obtain delivery of the land promised to the immigrants. The outlook was not bright, for the Provincial Government apparently had undertaken no measures to acquire land from the landowners who obviously will benefit if they hold out and wait for the incoming immigrants to develop adjacent tracts.

The situation caused some indignation in Rio de Janeiro. "Something must be done to remedy this situation," the Rio de Janeiro radio declared. "We cannot leave the immigrants who have arrived to their fate, or fail in our promises, as this would reflect on the State of Goias and on the entire country." But the situation did not awaken this section of Brazilian opinion to the real difficulty, the need for taking fundamental measures for eliminating land speculation so as to open up the country for development from which all Brazilians will benefit. "If the State Government cannot supply the land that was promised," it was said, "it should at least furnish some land." This is a defeatist proposal. It is regrettable that Brazilians should imitate the shortsightedness of the people of the United States in the matter of immigration.

W. L.

The Civic Revival in Ohio

Honest Man's Story: Frederic C. Howe

By ROBERT H. BREMNER

"An honest man's story, honestly told,"—Lincoln Steffens' comment on *The Confessions of a Reformer*, by Frederic C. Howe.

TO THE WRITER, one of the most engaging figures of the Civic Revival is Frederic C. Howe. Howe was one of the young men who gathered around Tom L. Johnson while the latter was mayor of Cleveland. He was elected to the Cleveland City Council as a Republican in 1901, but even before the election took place he had been won over by Johnson. Howe did valuable work for the Civic Revival as one of the originators of the Cleveland Group Plan, as a councilman, and as a member of the State senate and of the Cleveland Tax Commission, but his claim to rank as one of the leaders of the movement is derived more from his writings than because of his accomplishments in those posts. In numerous magazine articles he explained to outsiders what Johnson was doing in Cleveland;¹ in "The City, The Hope of Democracy," he presented the most complete picture of the aims of the Civic Revival; and in his autobiography, "The Confessions of a Reformer," he expressed the spirit of the movement.

"The Confessions of a Reformer," set the pattern for the large number of "personal histories" written in the last twenty-five years. These books are valuable to the student of history because they are frank records of how some interesting men and women of the twentieth century grappled with problems that seemed important to them and their contemporaries. Howe's book, however, has an importance quite aside from its value as an historical source. It is an inspiring illustration of how much an open-eyed and open-minded man can learn from experience. Howe thought the most important tendency in his life was his gradual divergence from the "evangelistic psychology" he had absorbed during his childhood and youth in Meadville, Pennsylvania. Broadly speaking, his development consisted in the sloughing off of one authority after another until at last he wonderingly realized that he could be his own authority. He didn't need any others. His is the story of the emancipation of a mind.

¹ See, for example, "Cleveland—A City 'Finding Itself,'" *The World's Work*, VI, 1988-9 (October 1903).

I

THE EVANGELISTIC PSYCHOLOGY Howe referred to is the spirit that puts the blame for social ills upon personal causes—the ignorance and depravity of the poor and the indifference and wickedness of the rich. Howe looked upon it as the characteristic influence of his generation.² It is the reform attitude in politics, the missionary spirit in diplomacy. It produces statesmen—moralists like Bryan, Theodore Roosevelt, and Wilson. Prohibition, anti-trust laws, teaching the Latin Americans to elect good men, are all part of it. Pass laws; enforce the laws; punish the bad people; MAKE PEOPLE BE GOOD—this is its program.

Howe, like Johnson, Jones, and Whitlock, was induced by his experiences to shake off the evangelistic psychology and to replace it with a conviction that it was not men who were at fault, but the conditions under which they lived. It is not people who need to be reformed, but the system that must be changed so that they will have a chance to be good.³ This was the motivating belief of the Civic Revival. Its attack was on conditions, not men. That attitude is what distinguishes it from the national Progressive Movement which, for the most part, was a manifestation of the traditional reliance upon the evangelistic psychology.

In Meadville and at the small denominational college that Howe unenthusiastically attended, the authorities were the Methodist Church, the Republican party, and the neighbors. Howe's training as a graduate student at Johns Hopkins University in the early Eighteen Nineties released him from these limitations, giving him in their stead a new set of ready-made standards. These were the standards of his professors. Of the professors, Albert Shaw stirred Howe's imagination more than the others. He lectured on municipal government and revealed to Howe the vision of an orderly city that was managed as a big business enterprise. It owned its own street car lines and gas and light plants and made a success out of operating them. It was governed with efficiency and economy by trained public servants and by business men who had given up their business interests to serve the city.

With this ideal in mind, Howe's program on leaving Johns Hopkins included war on the political bosses, the substitution of trained men for spoilsmen in the administration of city affairs; and the awakening of busi-

² For Howe's discussion of the evangelistic psychology see "Confessions of a Reformer," p. 17, pp. 130-1.

³ This does not mean that the Civic Revivalists overlooked the necessity for the personal regeneration of the individual that Jones came to stress so much. They looked upon this as a private matter, however. Regulatory legislation in questions of morals was never a part of their political program.

ness men to their responsibilities in municipal politics. He thought the trusts should be curbed or destroyed and that cities should either own the public utilities or regulate them in the interest of the public.⁴ Howe was later inclined to smile at the naïveté of some features of this program, but we should notice that through Albert Shaw, who represents the late nineteenth century concern with municipal problems, Howe had acquired an interest in cities that he never lost and a dream of what they could be like that was to serve as his inspiration for many years. When Howe looked back at his career at Johns Hopkins the thing that seemed important to him was that while there he had done no creative thinking of his own. He had merely accepted what the professors said.

When we look at this period of his life, however, the thing that stands out to us is simply that there was a change in his manner of thinking as a result of his graduate work. He gave up old prejudices and took on new ideas. That is, he learned something. Maybe he had to unlearn much of it later, but at Johns Hopkins the foundation, at least, was laid for the rational approach to life which was to make it possible for him to keep on learning after he left the university.

II

IN THE YEAR and a half he spent in New York City after receiving his degree, Howe lost one long-accepted idea and gained a new conception of the rôle of government. To one of his background it seemed obvious that the saloon was the root of New York's political evils. Eager to be a reformer, Howe volunteered as one of Dr. Charles Henry Parkhurst's agents in the vice crusade then being waged by that clergyman. He was to check up on the observance by saloons of laws relating to closing hours, Sunday sales, sales to women, and the alliance of saloons with houses of prostitution. The way to end evils was to enforce the laws.

Howe tried to be a conscientious investigator but within a short time the thing that began to impress him was the kindly side of the saloon. It was the poor man's club, the only escape the tenement dweller had from his drab existence. Out of the things he saw in saloons and from his talks with bar-keepers came Howe's conviction that the evil was not inherent in saloons, but was the result of tax laws. In order to pay the taxes imposed upon him by the city and state in the guise of license fees, the saloon-keeper either had to break the closing and other regulatory laws or go broke. If he decided to disregard the laws he had to corrupt the police.

⁴ In this and the following paragraphs, except where otherwise stated, I am following the account of Howe's development as presented in "The Confessions of a Reformer."

After considerable deliberation, Howe wrote a letter of resignation to Doctor Parkhurst in which he explained the problem as he saw it: the fault was in the laws—not the saloons. This was Howe's first break with authority. He was giving up an idea he had himself decided was false.

Howe had come to New York hoping to obtain a position as an editorial writer on a newspaper. Rebuffed in this, he began to study law and found a job in a law office. It was typical of him that he crowded a two-year law course into one. Much of his work consisted of collecting unpaid bills on the lower East Side. Here he was introduced to a new theory of politics. Previously, politics had appealed to him as an opportunity for disinterested service. His highest ideal had been the scholar in politics. The scholar and the enlightened businessman, wanting nothing for themselves, working only for the goal of good, clean, efficient and economical government, would redeem the state.

On the East Side, Howe met people who thought politics meant getting something out of the government for themselves and their friends. Gradually Howe began to admit to himself that these people had a contribution to make to American political theory. Their highest civic ideal was loyalty to the boss. To them, government was the boss, the district leader, the policeman, and the police court judge. But they had made the State human and they had done it by wanting things. They wanted parks and playgrounds, of course. They wanted cheap utilities, too.

More than that, they wanted, and they had got for themselves, a government that helped them in their daily lives. Their boss-dominated government, like the saloon, had a kindly side. It helped them when they were sick, it helped them when they were out of a job, and it helped them when they were in trouble with the law. Their lives were richer for the kind of government they had. Richer and happier than they would have been if their government, instead of being human, had been only business-like.

Howe was admitted to the Ohio Bar in 1894 and began to practice in Cleveland. That is, he sat around the outer office of the Garfield brothers' law firm doing whatever unimportant tasks were occasionally assigned to him. He was uninterested in his work, ill at ease in the apartment he shared with five other young men. At night, convinced that he was a failure, he would climb nine flights of stairs and sit moodily at a window overlooking Lake Erie.

An opportunity to live at a newly-opened settlement house in the slums gave him a temporary sense of responsibility. He was made a trustee of

the Charity Organization Society, a supposedly scientific approach to the charity problem. Cards were given donors to the society which they, in turn, gave to people who applied to them for help. The applicants then took the cards to the offices of the society where their cases were investigated by social workers.

One day Howe received a letter from Dr. Louis Bryant Tuckerman in which the Charity Organization Society and its methods were severely criticized. Tuckerman, a Cleveland minister and physician, was one of the forerunners of the Civic Revival. He was one of the directing influences in the life of Peter Witt. In this letter to Howe he argued that love and brotherhood were two things which could not be institutionalized. "If Christ applied to your society for aid," he told Howe, "he would be turned away as a 'vagrant without visible means of support.' Your society is not interested in charity. If it were it would fight for abolition of the twelve-hour day, for higher wages, and for industrial compensation. It is interested only in getting the wreckage off the streets."

Howe found himself in agreement with what the clergyman wrote. Tuckerman had expressed for him his own discontent with the Society. Like Elizabeth Ward, a character in one of Brand Whitlock's novels, he had begun to feel that organized charities were organized "not to help the poor but to help the rich forget the poor."⁵ What little zeal he had been able to muster for social work left him. "I ceased attending meetings of the trustees; then I resigned, and soon after left the settlement."⁶

III

IT REMAINED for Tom Johnson to deliver the crucial blow to the evangelistic psychology which, until his association with Johnson, had made Howe a reformer rather than a radical. After leaving the settlement house Howe had gone to live at the University Club. He found a friend in Morris Black, another young attorney whose idealism received little chance for expression in the law. Together they began to work on a plan for the grouping of Cleveland's public buildings into the kind of civic center they had both admired in European cities. Black ran for the city council and in a spirited campaign upset the candidate of the district boss. Howe became secretary of the Municipal Association, a political reform league. He attacked the corruption of the administration of Mayor McKisson and during the Farley administration wrote a pamphlet urging the defeat of an ordinance granting the street railway companies an extension of their franchises.

⁵ "The Turn of the Balance," p. 291.

⁶ *Ibid.*, p. 79.

Howe was thirty-four years old when he met Johnson. He had been persuaded by a delegation of citizens that it was his duty to accept the Republican nomination for councilman from his district. During his campaign Howe stressed the need for civil service reform, called upon the voters to purge the council of its known grafters and continued his opposition to the street-railway franchises. Occasionally he dropped in on meetings at which Johnson spoke. He was attracted by the man, half-convinced by what he said, and often resentful of his disdain for Howe's kind of reform.

At length he called on Johnson at his office. They began to talk about "Progress and Poverty." Howe had read the book in his student days. What he read had then seemed to be true but he had supposed that there must be something wrong with it. Johnson told Howe the story of his conversion to the philosophy of Henry George. He told him how he thought the single tax could be used to rid the city of the twin evils of poverty and privilege. Poverty is what makes poor men "bad." Privilege is what makes "good" men corrupt government. The fight should not be against badness but against the conditions which make goodness impossible.

Howe was not ordinarily an impulsive man but something about Johnson appealed so strongly to him that his usual caution was thrust aside. "I think I will withdraw from the Republican ticket and come and support you," he found himself saying. "You can do things I never could do."⁷ Johnson told him to get elected as a Republican. Parties didn't matter.

Howe left the conference a believer in Johnson and in his program. In the years that followed he became one of Johnson's intimate friends and one of his most understanding co-workers. As Johnson was a different man because he had known Henry George, so Howe was a different man because he had known Tom Johnson.

At the outset Howe did not realize the full implications of the ideas he had gained from Johnson. He did not realize how far his renunciation of the self-imposed duty of reforming men for the goal of improving social conditions would take him from his accepted principles of political science. His experiences in the Cleveland Council (1901-1903) revealed to him that the businessmen he had chided for their indifference to politics *were* in politics; as a member of the Ohio Senate (1905-1907) he was confirmed in his dawning conviction that ours is a businessmen's government rather than one representative of the people as a whole. Service in the Council and the Senate made plain to Howe the *fact* of business domination of government, but his understanding of the *why* of the business-

⁷ "Confessions of a Reformer," pp. 88-99.

man's attitude toward government had to wait until he understood business itself.

IV

WHILE A MEMBER of the Cleveland Council, Howe introduced an ordinance granting a franchise to a natural gas company that was prepared to provide gas for light and fuel at a rate fifty cents less per thousand cubic feet than that charged by the artificial gas company then serving the city. The ordinance provoked bitter hostility. To its opponents the fact that its passage would mean a great saving to three hundred thousand consumers was a much less important consideration than that it would threaten the investment of the old company and possibly hurt the coal business.

Howe's friends at the University Club and in his office building were not outraged at the revelation that the old company had resorted to bribery in an attempt to defeat the ordinance. Bribery was not nice but sometimes, as in the present case where an investment of thirteen million dollars was at stake, it was necessary. Howe said the inability of a private gas company to carry on its business without corrupting government was the best argument he had ever heard for municipal ownership of public utilities.

To his shame and surprise he learned that the old gas company had contributed to his own campaign fund and that its employees had worked for his election.⁸ Because he was a member of a firm of corporation attorneys it had been mistakenly assumed that Howe knew the facts of political life.

Howe learned how complete was the control of business over government during his term in the State Senate. The legislature of which he was a member seemed to have more than the usual quota of men of intelligence and liberal sympathies. It had capable leadership. The relations between the two houses were reasonably harmonious. It had the support of popular and press opinion. Yet, in spite of all of these initial advantages it secured the passage of only a fragment of its progressive program.

The reason for its failure, Howe came to believe, was simply that the machinery of government was controlled by a small group of businessmen instead of by the public. The real government was something outside of the Constitution he had been taught to revere. The real government was the system by which businessmen controlled the political parties and through them the personnel of executive offices, legislative assemblies, courts, administrative boards, and law enforcement agencies.

⁸ *Ibid.*, pp. 101-7.

While Howe was becoming aware of the businessman's activity in government he was also observing his attitude toward government. He learned much about the latter problem from studying the career of Mark Hanna. In him Howe saw the aims and ideals of businessmen in general writ large. Business is the only important thing. The State exists for business. All men and measures are judged by their effect upon business. The businessman has much the same attitude toward government as the people of New York's East Side: government is something through which you get what you want and protect what you have. You get what you want from the boss; you pay for it through campaign contributions (only occasionally is bribery necessary); and you protect what you have by your prerogative of dictating nominations and platforms.

This was the way the kind of men Howe had once been anxious to see take an active part in government actually felt about politics. Because he was a logical and methodical man, Howe was not content to leave the problem there. He felt a real urge to know why some of our most vigorous and practically talented men were a force for evil rather than good in politics. He did not quarrel with their desire to make use of the government for he, too, felt the function of government was to be useful to its citizens. He did dislike, however, the use to which they meant to put it.

It was not the enactment of measures which would make life better for all men that they wanted, but only the passage of laws which would make their own profits larger and safer. Yet Howe remembered that not all businessmen were active in legislative halls and council chambers. His own experience seemed to indicate that the most active were the representatives of railways, the public utility companies, and the banks (which were interested in the first two). They had something concrete to get; there was something about their business which linked it to politics.

The concept of privilege and an understanding of the source of wealth—both of which he drew from the revived interest in the single tax philosophy which association with Johnson had given him—helped him to see what they wanted and why their demands were immoral. Great wealth, the big money, he came to believe, is not obtained by observing the kind of copy-book maxims ("take care of the pennies and the dollars will take care of themselves") that he had learned in his youth. Nobody gets very rich by saving his wages and paying bills promptly. Only a few men make much money out of competitive industry.

Wealth is produced by society's needs; the way to get really rich is to invest your money in a field that will give you a grip on something every-

body needs or must use: land, natural resources, transportation facilities, or an accumulation of capital. The right of supplying, or of enjoying the financial benefits produced by supplying these common needs is conferred upon some individuals by law. It is in order to secure or protect these monopolistic privileges (which give their possessors an unfair advantage in the economic struggle) that some business men use the government.

That is why some of our best men are a force for evil in politics. Their private economic interests are at war with the best interests of society. It explains why some businesses are more directly concerned with politics than are others. Not "business," not "big business," not "the corporations," but *privileged business* corrupts politics.

Howe wrote a straight-faced little book called "Confessions of a Monopolist" (1906) to illustrate the connection between privileged business and politics. It purported to be the autobiography of a man (who might be patterned after Mark Hanna) who grew rich out of land holdings, street railway interests, coal mines, and banking enterprises. His two principles of conduct were "Make society work for you," and "Make a business of politics." Like Hanna, he was compelled to go into politics to protect his financial interests. He became boss of his city, then of the state, and finally, while the newspapers hailed him as an example of the kind of businessman who would redeem politics, he was elected to the United States Senate.

V

To HOWE, the political scientist, the immediate problem was one of political sovereignty. The effective control of government must be wrested from the hands of a small group of businessmen and restored to the people. After a characteristic period of study and self-examination, Howe listed the means by which he thought this could be obtained: nomination by petition rather than by conventions; the short ballot; the initiative and referendum on the Constitution, state laws, and city ordinances; the recall of all elective officials including judges; complete home rule for cities; a one-house legislature; and the abolition of judicial review of legislation.⁹

These were typical ideas of the Progressive Era. Noting their pre-occupation with such reforms, present-day critics condemn the Progressives for having offered only insipid political remedies for disorders that were primarily economic in nature. At least in the case of the Civic Revivalists, this is not a valid criticism. Howe's proposals were not remedies or ends in themselves. They were methods by which it was believed govern-

⁹ *Ibid.*, pp. 177-8.

ment could be made simpler, more workable, more responsive to public opinion—means by which the people could reassert their control over their government.

Howe, Whitlock, Jones, and Johnson knew, and knew a long time ago, that our problems were basically economic. Like us, they had two possible ways of attacking them: by violence or by peaceable political action. It did not occur to them to use any but the latter alternative. Consequently they saw that the breaking of the grip of privilege on the political life of the state had to be accomplished before the problems could be solved in a way advantageous to the people.

The failure of the Legislature in which Howe served and the difficulties Johnson encountered in Cleveland showed the impossibility of carrying through fundamental economic reforms by political action until the friends of reform had gained control of the political agencies which had the power to nullify them. Howe believed that once the government was made actually representative of the people, the extension of its functions (by municipal ownership of public utilities, for example) would make it so important in their daily lives that the voters would take an intelligent interest in it.

Once divested of their privileges (by such devices as the appropriation by the state of the economic rent of land), capable men, whose interests had formerly kept them at odds with the city, would be able to devote their best talents to its improvement.

In "The City, the Hope of Democracy," Howe stated the ideas about government with which he was left after he had rid himself of his earlier preconceptions. The core that had been uncovered by his process of unlearning was to be the foundation for his later development: Democracy has not failed—it has never been tried. Having lost the businessman as an ideal, Howe had found the people. We will see in later studies that eventually Howe's attitude toward competition (for in 1905 the abolition of privilege meant to him the restoration of competition) was altered, but he never lost the faith in the people which had been aroused in him by his participation in the Civic Revival.

He never gave up the belief that the cure for the ills of democracy lay in more democracy. The title of his book, "The City, the Hope of Democracy," is illustrative of the change in his approach to life which had been produced by this new faith. He wrote no longer of the problems with which the city presents democracy, but of the opportunity it offers for democracy's achievement.

Ohio State University

Politics and Propaganda

By ALVIN JOHNSON

THE SPIRIT OF POLITICS is compromise. The spirit of propaganda is intransigence. Every true politician endeavors to draw to his side all adjacent force, and is prepared to make sacrifices in order to accomplish this. Every true propangandist hates most bitterly his nearest political neighbors.

Our American system has been welded together by politics. Our political history is a record of compromises. The American Constitution was a product of compromise among diverging interests, regional, economic and social. It was compromise that planted the seat of national government on what was then the malarial banks of the Potomac. Compromise, not always intelligent, characterized our early fiscal and land policies. We compromised away the Canadian boundary question, though superheated throngs throughout America were shouting Fifty-Four Forty or Fight. We accepted the Missouri Compromise. We made our great compromiser, Lincoln, President, to carry us through the terrible crisis produced by our uncompromisers, North and South. We are still compromising, right and left, between public and private enterprise, between farm and city, between social security and social flexibility.

Some of our compromises have been wrong, some of them abominable. But we have grown into a great and mighty nation, under which life is not only tolerable but sweet to the vast majority.

The greatest masters of propaganda of our time were Lenin and Hitler. Both accepted the principle of uncompromising hostility to the party that stood next. Lenin hated most the Mensheviks; his successor Stalin hated most the Trotzkyites. Hitler, National Socialist, hated most the Social Democrats and the German Nationalists. In *Mein Kampf* Hitler makes clear that you can destroy the parties clearly opposed to you root and branch, but the neighboring party remains to infect your ranks.

The peasants welcomed the Bolshevik revolution. It had exterminated the landlord. It had destroyed the large estate. The peasant stood near to the Communist. Therefore the propaganda spirit of Communism had to destroy the peasants first of all, Kulaks, little capitalists, who would not deliver grain for nothing. Millions of Kulaks had to perish or live as slave laborers.

The terrible heresy of Tito of Yugoslavia was that he let the peasants alone. That is the terrible heresy of the Chinese Communists. The

Yugoslav Communist State is to Stalin a more dangerous enemy than "American imperialism."

Hitler's propaganda principle was effective, for a time. The Russian propaganda principle has been effective for a time not yet expired. It has destroyed its near neighbors. But it is inevitable that among passionate and ambitious men divergent views and conceptions of policy will arise. Such views and conceptions are to the orthodox propaganda, heresies to be drowned out in blood. Remember the Moscow trials.

This is the cancer gnawing at the vitals of the propaganda State. Excision does not help. It merely spreads the evil.

The propaganda State is doomed. The mills of God grind slowly, but remorselessly.

*Institute of World Affairs,
New York*

The Land Question in Burma

THE BURMESE GOVERNMENT is pledged to a policy of land nationalization. The reasons for this, as Lawrence K. Rosinger of the staff of the Foreign Policy Association points out, are not far to seek. At least four out of every five Burmans are peasants. Most of them are hungry for land of their own and for relief from the high rentals and interest rates that grind them into poverty.

But there are deep-rooted vested interests in the criminal exploitation of the Burmese peasant. One section consists of British interests, another the Indians (who, as traders and money-lenders, hold about one-fourth of Burma's land) and the Chinese. Mr. Rosinger believes that the Burma Government will ultimately stand or fall on its handling of the agrarian problem.

It is interesting to note that the Burmese are also ground down by high prices. Another major question is the restoration of international trade, for Burma is the world's leading rice exporter. Do the peasants understand, one wonders, that in the revival of foreign trade they can obtain relief from the prices that oppress them?

It is to be hoped that the leaders of the new Republic of Burma take a forthright stand on the agrarian, credit and trade problems. For there are two competing groups of Communists waiting to capitalize on any mistakes they make.

W. L.

The Moral Bases of Land Tenure

THE NATIONAL CATHOLIC RURAL LIFE Conference believes that land is a very special kind of property. Ownership of land does not give an absolute right to use or abuse, nor is it devoid of social responsibilities. It is in fact a stewardship. It implies such land tenure and use as to enable the possessor to develop his personality, maintain a decent standard of living for his family and fulfill his social obligations. At the same time, the land steward has a duty to enrich the soil he tills and to hand it down to future generations as a thank offering to God, the Giver, and as a loving inheritance to his children's children.

Since the family is the primary institution, access to land and stewardship of land must be planned with the family in view. The special adaptability of the farm home for nurturing strong and wholesome family life is the reason for the universal interest in land use and rural welfare. A unique relationship exists between the family and the vocation of agriculture. The farm is the native habitat of the family. The family's welfare must therefore have the first consideration in economic and social planning. Throughout the history of the United States these fundamental principles have been worked out through national and state legislation, and they have been upheld by court decisions and popular acclaim.

Efficiency in land use is not to be judged by material production but by a balanced consideration of the spiritual, social and material values that redound therefrom to person, family and society. The land is not to be a source of benefit to a favored few and a means of servile labor to the many.

Second only to making land available to the family is the responsibility of society to encourage and to educate the land stewards in the proper and most efficient use of the land and in such techniques as will make them masters of their own economic destiny.

The worker on the land and his family possess the first rights to the fruits of their toil for a decent standard of living. Second to such right comes the rights of any non-operating owner and of the State. Rural people have the right to receive directly their just share of the economic, social and religious benefits in organized society.

In accord with these principles the National Catholic Rural Life Conference tries to view agricultural policies and programs in the light of their ultimate effect upon the individual person, the family, and society. The

Conference recognizes, of course, the need for efficient production of food and fiber, but insists that the material goals of agriculture be properly subordinated to broader social and spiritual objectives. It is not enough that American farmers produce abundant and cheap food for our city dwellers and for export; they must also be safeguarded against grave social evils which develop when wrong production procedures are followed (A Statement by the N.C.R.L.C.).

Metayer Reform in Indochina

A VERY MODERATE PROGRAM of temporary relief for the metayers in South Viet Nam was presented before the Assembly in Saigon in May, 1949, by Bui-van-Nhan. The metayers are sharecrop tenants who pay a portion of the crop, usually half, as rent in kind. He proposed measures aiming in some part to protect the metayers' interests and to permit some of the metayers, at least, to become owners of their own land. The program, as he outlined it, included the following points: 1. To consider the metayer as one who can become a land owner. 2. To fix the division of the big landed estates in the eastern region and in the middle region of South Viet Nam, including Cantho and the western provinces such as Dongphatmuoi. 3. To prohibit gambling so that the metayers can save their money and have the means to buy land. 4. To fix a "satisfactory" revenue for both the metayer and the landowner. 5. To re-examine cases of forestalling of land (holding land out of use) by the landowners.

W. L.

A Warning on the Farm Land Boom

NET FARM INCOME is now a little over three and a half times that of pre-war, and continuing high prices for farm products have led to rising land prices. Farm land prices are now equal to the high level reached during the land boom of World War I—which, when it collapsed, forced many farmers into bankruptcy, and had serious repercussions on the whole national economy. If the farmer runs up his own costs by buying more land at inflated prices, he becomes more vulnerable when the next price drop comes; at the same time, from the national point of view, he is contributing to the boom now and making the bust worse when it comes.—(From an announcement in 1948 of the Agriculture Committee on National Policy of the National Planning Association.)

• R E V I E W S •

Ancient Blunders and Modern Politicians

De Platon à la Terreur. By Jacques Lacour-Gayet and Robert Lacour-Gayet. Paris: Spid, 1948, 268 pp., 300 fr.

When a severe depression of trade seemed inevitable after the crash in 1929, one would have thought a wise man might turn back the pages of history in an attempt to learn what had been done in times past to soften the blow. Ever since political government was instituted, financial and industrial crises and depressions have crippled States, and very often reduced them to penury and deplorable disorder. Our country had not escaped periods of hard times, and our libraries contained many books stating the lessons to be learned from them.

As for Europe, each nation had a long history of severe depressions during peace and war. One has only to read our own literature on the trials of European States to be convinced that every expedient trick resorted to by politicians, with the notion of setting things right, failed disastrously, and finally the people were left to themselves to work their way out of the chaos toward recovery.

The administration in office here when the crash took place acted like children in a panic and sought, hither and thither, forbidden ways to escape from the turmoil. However, it was apparent twelve months later that their efforts had been futile and, as the depression deepened, some people were conscious that prosperity (which we were told was "around the corner") had taken to its heels and disappeared.

There had been warnings enough before the crash overtook us, but none in authority gave heed to them. It is now on record that the famous William Durant, who made and lost several great fortunes, had gone to the President six months before the stock market débâcle and warned him that, if the Federal Reserve Board did not curtail brokerage loans and security credit, a disastrous depression would come.

As financial and commercial affairs went from bad to worse, the administration and Congress became more and more palsied. But an extraordinary thing took place before the election in 1932. The world chart of business began to show an upturn, and this in spite of the expedients tried by governments. However, when a new administration was elected, its party program of retrenchment and reform was sent to limbo. Every

domestic pledge was broken but one—the repeal of Prohibition. Then something quite new in the way of discovering political wizards took place. An intercollegiate search was instituted to find brainy men and women who knew what to do to overcome a depression and, at the same time, make hay for the setting up of a collectivist State. When these young gentlemen were assembled in Washington, and distributed among the various departments of the State, they had already earned for themselves the title of the “Brain Trust.”

Great things were expected of young men who had had a university training, because somehow (never explained), politicians and their subjects have an idea that institutions of learning foster knowledge and wisdom. Alas, no one showed that he or she had any knowledge whatever of what had taken place in depressions, for as each set of laws promulgated by them was put into force, it was discovered to be the wrong thing for the purpose. In fact, the National Recovery Administration had to be abandoned after it had made a chaos of industry. Very soon bribes, doles, and restrictive laws were the order of the day, and the most surprising thing about all these brainy efforts was that the professors did not know that they had been tried over and over again for thousands of years and had not succeeded in bringing order out of a financial and industrial crisis.

Since then, the wretched taxpayer has had to submit to an orgy of spend-thrift politicians, and even after a war that wiped out unemployment, we find ourselves now face to face with the same dilemmas that haunted shrewd men before the crash of 1929. This time, perhaps, the brainy people of our universities will not be called upon to make things worse than they are. Instead, it would be a good idea for every member of Congress and the Cabinet, too, to read a little volume that has just come from France. It is called “*De Platon à la Terreur*” (“From Plato to the French Revolution”), and was written by Jacques Lacour-Gayet and Robert Lacour-Gayet. The former is a member of the Institute, and the latter is now teaching at St. John’s University, Brooklyn. It is to be hoped that this work will be translated, published, and widely circulated among our politicians and professors. Meantime, classes might be held in Washington and a reader could translate its contents to our Solons and our Machiavellis. For the work is unique, in this respect: it shows clearly, from the days of Plato to the end of the French Revolution, that every dodge that was tried by our administrations from 1931 to this day, in an attempt to solve the mighty problems of a depression, has been tried over and over again without success.

The authors begin with the conditions in Greece, and very soon we are startled with passages that might have been written any day recently about our own condition. Sometimes the likeness is so clear that it seems farcical that we should be repeating the blunders that were made 2500 years ago. The gold question is here, all the fiscal problems we face, restrictions, curbs, price-fixing, graft, and the burdens of a parasitical bureaucracy—all are dealt with. Regimentation was the order of the day then, as it has been here during the past fifteen years. The cost of living in relation to wages makes us wonder how old this trick is for fooling the producers and consumers.

After classical times, the authors take us to the medieval period, and before we have proceeded far in these chapters, we learn that the politicians in their crises committed absolutely the same blunders that had been made in Greece. Works written toward the end of the sixteenth century deal with the problems with which we are now confronted. We find information upon the high cost of living and nominal wage, the extreme dearness of things at that time. One author of that day wrote a treatise upon gold and silver; another upon the money chaos.

It seems like a political tradition to do that which ought not to be done. But the revelations of the stupidities of politicians and financial magnates reaches the climax when we are introduced to the astounding imbecilities of those concerned in the French Revolution. They not only did everything that had failed in the days before them, but they perpetrated the blunders with a tenacity and ruthlessness so palpable in their operations that they were driven from day to day to change and unchange their procedures.

The birth throes of the slogan, "Liberty, Equality, and Fraternity," took place in a chaos far beyond the conception of a Dante. It was an Inferno of madmen. And here, in the days of the terror, we find a vivid picture of what we went through for twelve years before the end of the war. There was a comedy presented at that time (1796), which has in it a skit upon the black market of that day. It tells us: if soap was wanted, one should apply to the seller of lemonade; if hats were required, the grocer would supply them; and the apothecary was the man to go to if you wished to buy slippers. Indeed, such necessary requirements as salt, cotton, handkerchiefs, bread, sugar, candles, etc. were to be found under the counters of merchants whose regular business it was to sell other commodities.

This little book, which so clearly reveals the past blunders of politicians

who attempted to bring a semblance of order out of a financial and industrial depression, is the one work that might enlighten our distressed leaders of thought today, if they read it with understanding.

New York

F. N.

Economics Simplified. By E. E. Bowen. Revised edition, edited by George L. Rusby. New York: Robert Schalkenbach Foundation, 1949, 234 pp., index, \$1.

The economic confusion that engulfs the world today makes this book most timely. "We have made wonderful strides in the mechanical arts and sciences," the author points out, "but in the science of economics we have barely begun to creep." A knowledge of the basic principles of economics and a thorough familiarity with the natural laws of which the science treats, are necessary to useful citizenship, and these are explained to the reader in simple terms.

Can we stabilize our economy, increase our production and insure an equitable distribution of wealth under the free enterprise system? The author's answer is emphatically that we can if the free enterprise system is made truly free. "An economic system is possible that not only would not curtail the liberty of the individual but that would increase his liberty far beyond anything he now has. At the same time, it would make undeserved poverty, low wages and unemployment impossible."

In this book a signal contribution is made to the discussion of government functions. Ideal government is that which conforms to what Thomas Jefferson demanded when he said, "Restrain men from injuring each other, but leave them otherwise free to follow their own pursuits of industry and employment." Summarizing the main thesis of the book, Dr. Bowen contends that "if the government properly performed its two simple functions, a condition would not arise in society which seemed to call for the activities of government in the many fields which are really none of its concern."

V. G. PETERSON

European Ideologies. Edited by Feliks Gross. With an introduction by Robert M. MacIver. New York: Philosophical Library, 1948, 1,075 pp., \$12.

This work is a survey of the economic, social and political ideas of important social movements in Europe that have had an influence throughout

the world. Most of the important movements are covered, and mostly by the outstanding authorities on the subject. Max Nomad, for example, has contributed a study of Soviet Communism that is a very important contribution to the literature; Vladimir Zenzinov presents a comprehensive historical and analytical study of the Russian peasant movement and Gunther Reiman summarizes his well-known studies of fascism. Joseph S. Roucek's study of regionalism and separatism is equally outstanding. It is rather remarkable to have within the covers of a single work studies of anarchism and syndicalism by Nomad and by Rudolf Rocker; of Marxian socialism by Algernon Lee; of Russian liberalism by Elias Tartak, and of agrarianism by George M. Dimitrov. Altogether, this symposium meets very satisfactorily the need for prime source materials for the study of contemporary European ideologies. It is regrettable that the work does not include equally authoritative studies of Danish agrarianism, of Scandinavian socialism, of French liberalism and of the Christian Democratic movement. However, Dr. Gross and his collaborators have provided a useful text for the comparative study of European social movements and it is to be hoped that curriculum builders in the universities and adult schools will take advantage of it. There is nothing like it in the literature.

W. L.

Sexual Behavior in the Human Male. By Alfred C. Kinsey and associates. Philadelphia and London: W. B. Saunders Co., 1948, 804 pp.

Dr. Kinsey and his associates, Wardell B. Pomeroy and Clyde B. Martin, report in this work on a monumental pioneering research into male sexual behavior. His surveys were supported by the National Research Council with Rockefeller Foundation funds. Dr. Kinsey's statistical methods leave much to be desired and were the subject of criticism at the last meeting of the American Statistical Association. Arrangements have now been made to correct this deficiency in the work. For this reason, a discussion of his present tentative results would not now be fruitful. He has undertaken to pioneer in a difficult and important field, and deserves all the support and encouragement that social scientists can give him. For his courage and far-sighted scholarship in tackling the job, and for his willingness to correct statistical deficiencies in his work, we salute him and look forward with keen anticipation to the future when, we feel sure, he will present the social sciences with very significant information which is not now available.

W. L.

The Influence of the Social Environment

"**ADOLESCENT CHARACTER and Personality**," a report of studies conducted by the Committee on Human Development of the University of Chicago on the moral character development of 16-year-olds in a typical midwestern community, has been published by John Wiley & Sons, New York. It was edited by Dr. Robert J. Havighurst and Dr. Hilda Taba. Committee members in fields relating to the development of children and adults started their investigation in 1942. The subjects, 16 years old at that time, underwent a series of psychological and sociological examinations to verify the major assumption of the present book that all children develop good moral character if given a good social environment.

Wiley is also publishing "**Elmtown's Youth: The Impact of Social Classes on Adolescents**." This book, by A. B. Hollingshead, presents the findings of another midwestern community study made under the auspices of the Committee on Human Development. Professor Hollingshead has analyzed in his book the way social class structure organizes and controls the social behavior of high-school-aged adolescents in seven fields of activity: school, job, church, recreation, cliques, dates, and sex. (Publisher's announcement.)

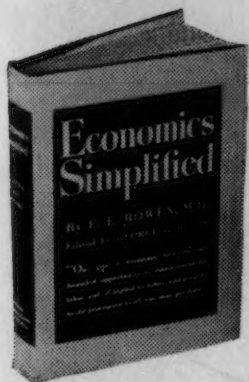
GEORGE H. LOVITT

New York

Contributors

KURT MAYER, Ph.D., instructor in sociology, Rutgers University . . . BRYN J. HOVDE, Ph.D., president of the New School for Social Research, New York . . . ROBERT D. LEITER, member, department of economics, City College, New York . . . RICHARD CLAUGHTON, New York critic . . . WILL LISSNER, New York journalist . . . I. GUELFAT, Dr. Sc. Econ., reader in economics, School of Law and Economics, Tel Aviv . . . HARRY GUNNISON BROWN, Ph.D., L.H.D., professor of economics, University of Missouri . . . FRANCIS NEILSON, Litt.D., essayist and historian; former member, the British Parliament . . . ROBERT H. BREMNER, Ph.D., member, department of history, Ohio State University . . . ALVIN JOHNSON, Ph.D., president emeritus, New School for Social Research . . . V. G. PETERSON, executive secretary, Robert Schalkenbach Foundation.

Economics Simplified



By

E. E. BOWEN, M.D.

Edited by

GEORGE L. RUSBY

IN CLEAR, interesting style, "Economics Simplified" gives the general

reader a straightforward, easily understood explanation of the science of economics. A timely book, it goes to the root of present-day social problems and presents a convincing refutation of communism and socialism. This book is winning popularity because of its appeal to logic and its careful reasoning. It is also giving efficient service as a guidebook for discussion groups.

Illustrated with simple charts and diagrams.

Cloth bound • Indexed • 234 pp.

Price . . . \$1.00

**ROBERT SCHALKENBACH
FOUNDATION**

50 EAST 69th STREET • NEW YORK 21, NEW YORK

The AMERICAN JOURNAL *of* ECONOMICS *and* SOCIOLOGY

Published QUARTERLY under grant from the Robert Schalkenbach
Foundation in the interest of constructive synthesis in the social sciences.

IN THE OCTOBER ISSUE

*Essays in Honor of Lawson Purdy, LL.D.,
On the Occasion of His 86th Birthday*

Edited by HAROLD S. BUTTENHEIM

Editor, The American City

Tribute to Lawson Purdy

By SAMUEL SEABURY

New York

Goethe—"Voilà un Homme!"

By FRANCIS NEILSON

New York

The Task of Perfecting Democracy

By RICHARD S. CHILDS

National Municipal League

Public Welfare and Self-Reliance

By ROBERT T. LANSDALE

N. Y. State Dept. of Social Welfare

Contribution of Foundations to the Field of Social Sciences

By SHELBY M. HARRISON

Russell Sage Foundation

Lawson Purdy's Career in Property Tax Reform

By PHILIP H. CORNICK

Institute of Public Administration

Lawson Purdy's Influence on Progress in Assessment Practice

By ALBERT W. NOONAN

National Assn. of Assessing Officers

AND OTHER ARTICLES BY WALTER D. COCKING, EDWARD
WEINFELD, NORMAN WILLIAMS, JR., ARNOLD FRYE, ALBERT
PLEYDELL, MABEL L. WALKER, CARL FEISS, ROBERT W.
SEARLE, AND HERBERT S. SWAN

Subscription (U. S.), \$3 a Year

50 East Sixty-ninth Street
New York 21, N. Y.

Single Copies, \$1

